

MINUTES OF THE REGULAR CITY COMMISSION MEETING HELD AUGUST 15, 2007

The governing body met in regular session on August 15, 2007 at 5:30 p.m. in the City Commission Room in the City Hall, the following members being present and participating, to wit: Commissioners Jindra, Johnson, Gilliland, Lanoue and Hosie.

Absent: None.

Other Officers: Interim City Manager Armour, City Attorney Uri and City Clerk Fleming.

The Mayor declared that a quorum was present and called the meeting to order.

Visitors: Jessica LeDuc, Toby Nosker, Joe Strecker, Ron Deal, Ima Jean Chavey, Rev. Cory Shipley, Larry Eubanks, Pearl Townsend, Darlene L. Hepperly, Bruno Rehbein, Don Lanoue, Danny Parker, Ron Copple, Greg Hattan, Ruby Maline, Kirk Lowell, Joe Gerard, Larry Remmenga, Tom Tuggle, Art Slaughter, Janet Lowell, Marvin Copple, Steve Womack, Dale and Verna Ferguson, Wendy Holt, Dana Brewer, Lee W. Doyen, Jack Gould, Tim Holt and Suzi Tuggle.

Pastor Cory Shipley, Victory Faith Assembly of God, provided the invocation before the city commission meeting.

Mayor Johnson announced an amendment to the agenda. Commissioner Jindra moved to add an executive session for non-elected personnel to the agenda as item eight (8) A. Commissioner Gilliland seconded. Motion carried.

APPROVAL OF MINUTES

Commissioner Hosie moved to approve the minutes of the August 1, 2007 regular meeting. Commissioner Lanoue seconded. Motion carried.

APPROPRIATION ORDINANCE NO. 15

APPROVED

Commissioner Lanoue had several questions on Appropriation Ordinance #15. Commissioner Lanoue asked about Tom Armour's contractual payment, which was taken out of a salary line, which then states that the City is paying Social Security, Medicare, Unemployment and Work Comp. The line items used were 100-401-711.001 for \$1068.50 and 601-461-711.001 for \$1068.50. Commissioner Lanoue stated Mr. Armour's agreement was for contractual services and the dollar amount on the appropriation ordinance should be moved to a contractual line. Commissioner Lanoue asked if a 1099 would be printed. Ruby Maline, Director of Finance, stated a check can go through AP out of a salary line without calculating payroll benefits and print a 1099 through AP. Commissioner Johnson asked about the current audit payment of \$7,500.00; if it was all for the audit and if it was the final payment. Commissioner Johnson asked if the audit books would be corrected. Ms. Maline informed Commissioner Johnson the books will not be corrected, but a corrected health insurance page will be put in the audit books. Commissioner Johnson stated he would not want to make this payment if the auditor was sending out books that were not correct. Commissioner Lanoue concurred with Commissioner Johnson and stated they should not pay for the audit until the capital projects are correct. Commissioner Lanoue did not feel the appropriation ordinance should be approved without correcting some of the questioned payments, especially Mr. Armour's contractual payment. Commissioner Gilliland moved to approve Appropriation Ordinance No. 15. Commissioner Hosie seconded. Motion carried as follows:

Yea: Commissioners Hosie, Gilliland and Jindra.

Nay: Commissioners Johnson and Lanoue.

PUBLIC COMMENTS

There were no public comments.

PUBLIC HEARING
2008 BUDGET

Mayor Johnson opened the public hearing for the 2008 budget and asked for public comments.

Larry Paine, former city manager, informed the commission he would return for the 2008 budget hearing. Mr. Paine worked on the 2008 budget for the City of Concordia before leaving to become the City Administrator in Hillsboro. Mr. Paine started his power point presentation of the 2008 budget by stating the purpose of a budget is to set up a financial plan. Mr. Paine highlighted a few things that were being accomplished in the 2008 budget as follows: consolidate Employee Benefit Fund into General Fund; Construction of flood control structure in south development; lower levy than previous years, the total tax burden rises about \$20,000 (\$4.00 per person) and 3% salary allocation. Mr. Paine stated the 2008 budget will have a mill levy decrease, and said this is something the community should be proud of. The assessed valuation for the 2008 budget went up to an estimated of \$24,032,799. Mr. Paine pointed out that sales tax is the number one (1) revenue item for the City of Concordia. Mr. Paine stated the 2008 proposed budget is \$9.3 million. Most of the expenditures in the budget relate to salary and fringe

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benefits, close to \$2.3 million, with the total general fund being proposed is \$4.6 million. Mr. Paine said the utility fund will increase approximately \$600,000 in the special projects to re-do the north clarifier at the wastewater treatment plant. Mr. Paine stated the city is saving money for future capital improvement projects, which include swimming pool improvement, cemetery land acquisition, slurry seal, flood control structure, mill overlay and downtown improvement. Mr. Paine said he continues to brag about the city's downtown improvement project, which is getting a lot of attention around the state.

Mayor Johnson asked for other comments.

Dr. Greg Hattan was present to voice his concern about the proposed 2008 budget. He asked the following questions about numbers not matching up in 2008 budget.

- Employee Benefit Fund transfer amounts on the state budget form; an amount of \$96,000 to general fund, the transfer of \$15,000 and the July cash balance statement of \$3,700.

Commissioner Lanoue stated 210 with the \$90,000 some thousand was wrong. She felt there will be a negative cash balance in the employee benefit fund at the end of the year.

- The different Special Utility transfer amounts of \$41,958 and \$73,468. Dr. Hattan also asked what the transfer was for.

Commissioner Lanoue said current cash was \$32,000 and questioned the \$73,468 transfer. She informed Dr. Hattan the transfer was to close the fund.

- Utility fund summary amount of \$93,415 for debt service and the debt service schedule amount is \$68,415.
- Special Equipment fund, which transfer amount is correct \$47,906 or \$146,570.
- Special Projects – Airport Master Plan – Dr. Hattan asked if there were matching grants available.
- Dr. Hattan asked about ambulance collection practices and why the city has only collected \$17,834 to date. He suggested the department that is manned 24/7 every day of the year could file the insurance forms.
- Dr. Hattan asked why the City of Concordia has an ambulance in Glasco and why the tax payers of Concordia are subsidizing the ambulance in Glasco. Dr. Hattan stated out of 46 runs from Glasco only five (5) were transported back to Concordia. Commissioner Hosie stated Glasco approached Concordia about providing ambulance service and a contract was signed; along with several other township ambulance contracts. He suggested going to a countywide ambulance service. Commissioner Hosie encouraged Dr. Hattan to take his concerns to the Board of County Commissioners. Larry Eubanks, Fire Chief, agreed they need to look at the ambulance service throughout the whole county and possibly having a countywide ambulance service.
- Dr. Hattan stated there appeared to be deficit spending in the general and utility funds in the last several years. He stated it is good to keep the mill levy down, but eventually we will run into a problem because we are tapping out all the reserve funds.
- Dr. Hattan questioned the new health insurance fund.
- Dr. Hattan asked about the TIF projects and if the amount was an accounting procedure or \$100,000 transfer.

Ima Jean Chavey stated she took some questions to City Hall and never had any answers. She asked the following questions.

- Ms. Chavey asked about \$26, 521, which the auditor said we had in a water and bond fund that should have been taken out a year ago. Ms. Chavey stated she could not find it in the budget.

Ms. Maline reported that it was a 2007 transfer that will be made this year.

Commissioner Lanoue stated it was not reflected in the budget or transfers.

- Ms. Chavey questioned the \$175,000 transfer from health care that is not shown on the transfers.

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Ms. Maline advised that was because the fund will be closed this year and the budget will be amended.

Commissioner Lanoue stated she thought we were keeping the funds.

- Ms Chavey asked about the \$124,000 from the airport that should have been in 2007.

Commissioner Lanoue stated it was in 410 in the 2008 budget.

- Ms. Chavey questioned the \$10,000 that was discussed to be put in the industrial fund and the last night of budget review sessions they removed it, but it is still there.

Ms. Maline stated it was a different \$10,000.

- Ms. Chavey asked about the TIF projects.

Commissioner Lanoue stated she felt if we don't have any TIF projects, we should reflect that in '07 so we can carryover the cash for '08, in case we do have projects.

- Ms. Chavey commented the League says the schedule of transfers sheet is the most important to trace money and yet it is full of mistakes.
- Ms. Chavey said that without an audit, the public had nothing to look at to compare numbers with the 2008 budget. She didn't know how you can put together a budget without audit figures and the audit has not been approved.

Joe Strecker, former Commissioner, thanked the Commissioners for all their hard work in the budget process. Mr. Strecker said a budget is basically a piece of paper, which could be amended or modified to fulfill the needs of funds. Mr. Strecker quoted six (6) principles of leadership from a book written by Mark Sanborn and related them to the City, City Commission, City Manager and Department Heads.

Lee Doyen, former Commissioner, was present and gave comments in regard to accomplishments by former commissioners that helped make the city what it is today.

Kirk Lowell, speaking as a citizen, after attending a few of the budget work sessions, Mr. Lowell stated the commission is more concerned about moving numbers around in a spreadsheet than knowing how to handle a special assessment. Mr. Lowell said he had not heard the commission talk about any vision. Mr. Lowell asked "what's this Commission's vision". He felt this budget was one of the, respectfully, most disappointing city budgets he'd ever seen. Mr. Lowell said the budget was wrong because of politics.

Commissioner Lanoue stated she respected everything Mr. Lowell said and she felt we do need a vision. Commissioner Lanoue said she had asked that corrections be made to the budget and they weren't. Commissioner Lanoue stated she did not feel it was her fault the numbers did not tie and that should be staff's job. Commissioner Lanoue pointed out several inaccuracies in the budget form. Commissioner Lanoue stated she would like to see the budget correct before passing it. Commissioner Lanoue stated we all need to work together.

Commissioner Jindra said Ruby Maline, the new director of finance, couldn't be perfect on her first budget and there have been complaints about the budget for several years. Commissioner Jindra stated he's confident next year Ms. Maline will have her arms tightly wrapped around the City's budget. Commissioner Jindra pointed out the city is the only entity in the county that has consistently lowered its mill levy.

Commissioner Gilliland agreed with Commissioner Lanoue that the budget should be accurate. He stated he felt a Commissioner's job is to set policy and procedure, set vision for the City and approve the budget, not to nit-pick and scrutinize every line item. Commissioner Gilliland stated staff is hired to prepare the budget and if a commissioner has some concerns with budget line items they should visit with staff one on one.

Ms. Maline stated she had made some changes to the budget, but if there are additional corrections that the Commission want to make, she would meet with the commission again and work together on the changes.

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There being no further comments, Mayor Johnson closed the public hearing.

ORDINANCE
ADOPTION OF 2008 BUDGET

TABLED

Mayor Johnson requested the errors in the budget be corrected. After further discussion of correcting the budget and the deadline for filing it with the County Clerk, Commissioner Jindra moved to table the ordinance adopting the 2008 budget until September 5, 2007 and instruct staff to contact the county clerk. Commissioner Lanoue seconded. Commissioner Hosie suggested Dr. Hattan, Commissioner Lanoue and Ruby Maline meet and review the budget. Motion carried.

ACCEPT 2006 AUDIT

Mayor Johnson asked for discussion on the 2006 audit. Commissioner Lanoue stated she still stood by her concerns that the capital project amounts were not correct. Commissioner Gilliland moved to approve the 2006 audit. Commissioner Jindra seconded. Motion carried as follows:

Yea: Commissioners Hosie, Gilliland, Jindra and Johnson.

Nay: Commissioner Lanoue.

APPROVAL OF 2007
AMBULANCE PURCHASE

Fire Chief Eubanks reviewed the ambulance proposal from Wheeled Coach. Mr. Eubanks stated if they purchase the ambulance in 2007 they would save \$30,000. Commissioner Hosie wanted to note the process used to receive the ambulance proposals deviated from the bid policy. Following discussion, Commissioner Hosie moved to approve the purchase of the Wheeled Coach ambulance in the amount of \$111,630. Commissioner Johnson seconded. Motion failed by the following vote:

Yea: Commissioners Hosie and Johnson.

Nay: Commissioners Gilliland, Lanoue and Jindra.

ACCEPT PROPOSAL FOR
AED/MANUAL DEFIBRILLATOR

Larry Eubanks, Fire Chief, advised the Commission he received three (3) proposals for two refurbished AED/Manual Defibrillators. Mr. Eubanks stated this is in the 2007 budget. Staff recommended accepting the proposal from Zoll Medical Corporation in the amount of \$19,316 with trade in. Following discussion, Commissioner Jindra moved to approve the proposal for the two AED/Manual defibrillators from the Zoll Medical Corporation in the amount of \$19,316 with trade in. Commissioner Gilliland seconded. Motion carried.

EXECUTIVE SESSION –
ATTORNEY/CLIENT PRIVILEGE

HELD

At this time, Commissioner Johnson moved that the commission recess into executive session for twenty (20) minutes for the discussion of attorney/client privilege. Inviting: Tom Armour and Larry Uri. Commissioner Hosie seconded. Motion carried by the following vote:

Aye: Commissioners Jindra, Johnson, Gilliland, Lanoue and Hosie.

Nay: None.

Time: 8:12 p.m.

The commission reconvened at 8:32 p.m.

Mayor Johnson announced there was no action taken.

EXECUTIVE SESSION –
NON-ELECTED PERSONNEL

HELD

At this time, Commissioner Johnson moved that the commission recess into executive session for fifteen (15) minutes for the discussion of non-elected personnel. Inviting: Tom Armour. Commissioner Jindra seconded. Motion carried by the following vote:

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Aye: Commissioners Jindra, Johnson, Gilliland, Lanoue and Hosie.

Nay: None.

Time: 8:33 p.m.

The commission reconvened at 8:48 p.m.

Mayor Johnson announced there was no action taken.

MANAGER'S REPORT

Tom Armour, Interim City Manager, reported that Phil Deneault, City Treasurer, submitted his retirement effective November 30, 2007. Mr. Armour stated Phil had worked for the City for over 32 years. Mr. Armour advised staff is reviewing the possibilities of in-house transfers or recruitment for this position.

Mr. Armour advised the Commission, Larry Uri, City Attorney, has requested the Commission review his contract with the City. Mr. Armour stated Mr. Uri's contract has not been reviewed since 2005. Mr. Uri is suggesting a five (5) percent increase (\$180.00) per month and the hourly rate been increased from \$100 to \$105 per hour. Staff recommends the request be approved. Commissioner Gilliland moved to approve a five (5) percent increase for the City Attorney on the monthly retainer, which would increase it by \$180 a month and increase the hourly rate from \$100 to \$105. Commissioner Jindra seconded. Motion carried.

Mr. Armour advised the Commission an employee was incorrectly placed in the pay scale this year and Staff is making that adjustment.

Mr. Armour advised the Commission on the status of the Airport Master Plan and the HWS contract. Mr. Armour's recommendation is to postpone the project until after the first of the year. After Commission discussion, it was the general consensus of the Commission to start working on the project soon and submit it after the first of the year.

MAYOR/COMMISSIONER COMMENTS AND REPORTS

Commissioner Lanoue asked if the reimbursement for the Orphan Train had been submitted. Mr. Armour informed her the reimbursement was submitted and the City should receive it soon. Commissioner Lanoue asked Ruby Maline about the Revolving Loan fund. Ms. Maline stated she had the information ready but did not bring it to the meeting.

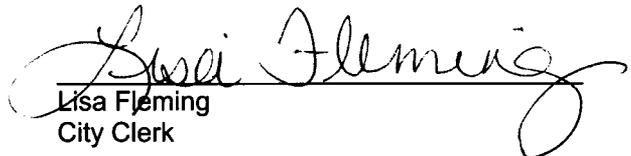
Mayor Johnson announced the upcoming city manager interview schedule and special call meetings for 7:15 p.m. on August 21, 24, 29, 2007.

STAFF COMMENTS

There were no staff comments.

Mayor Johnson announced there would be a study session following the meeting.

There being no further business, Commissioner Jindra moved to adjourn the meeting. Commissioner Johnson seconded. Motion carried.


Lisa Fleming
City Clerk

(Seal)