

# Council Meeting Minutes

March 17, 2014

The regularly scheduled meeting of the City Council of Audubon Park was held on Monday, March 17, 2014, at City Hall, 3340 Robin Road, with the following present: Mayor Dorn Crawford and Council Members Joanne Bader, Vince Osbourn, Mark Stevens, Nancy Zinner, William Klump and Cary Campbell. Also present were Police Chief Douglas Sweeney, City Attorney Steve Emery, City Engineer Clint Channell and City Clerk Janette Mercer.

## Call to Order

Mayor Crawford called the meeting to order at 7:30PM.

## Engineer's Report

Mr. Channell stated that he will soon hold a public hearing on repaving roads in Audubon Park. The public hearing is required by statute before the city can spend any road aid funds. He noted that he would like to hold this meeting before the next Council meeting. This week he will be sending out requests for bids to Flynn Construction, Louisville Paving, and Capital Paving.

## Communications Report

Vince Osbourn noted Mike Thompson, the Web designer, sent a report showing about 300 hits and/or visits to the City's new Web page in the previous week.

## Audit Report

Art Henson presented a revised draft of the City's audit report, circulated to the Council in advance. In the course of asking for comments and questions, he highlighted previous problems with the Road Fund. In previous years, expenses relating to road work were paid from the General Fund, but then debited against the Road Fund. With such debits greatly exceeding the revenues available in the Road Fund, this practice eventually produced a negative fund balance of -\$226,102.14. After some discussion, the Council reaffirmed its decision to cancel the unpaid transfer, retaining the deficit in the General Fund, so that available Road Fund revenues can be applied to needed road work. Mr. Henson agreed to include the adjustments and corrections, supply a general description of past "road-related expenses," and circulate a revised draft.

Joanne Bader noted the audit report should also highlight and explain the fact that over \$300,000 of taxes and fees collected in advance was apparently spent before the start of the current fiscal year by the previous mayor. The audit should clearly show the actual revenue available to budget and currently it does not. She feels this is a disservice to the Council and the City. The mayor asked for a motion on the disposition of the draft report. Cary Campbell made a motion to table approval of the audit pending final corrections; Vince Osbourn seconded, and the motion passed unanimously.

## Financial Report

Mr. Veeneman covered the financial report. There were corrections that needed to be made on the general fund/revenue, line item 4360, Highway Safety Grant, and general funds/appropriations/public

safety, line item 6200-20, Highway Safety Grant. There should one line item for Highway Safety Grant, and a different line item for other grants. The appropriations will need to be corrected.

Joanne Bader questioned the sanitation fund balance sheet referencing \$161,241 which appears to be currently unspent. She asked Mr. Veeneman why the money was never deposited to the sanitation fund. Mr. Veeneman explained that his understanding of what the Council wanted was a separate balance sheet showing the revenue. He never thought the Council wanted the revenue actually moved. Mr. Veeneman stated the City did not have the money to move to the sanitation fund. Mr. Veeneman explained to the Council the importance of understanding what “deferred revenue” means.

The Mayor asked for a motion to approve the financial report. Cary Campbell made a motion to approve the financial report; Vince Osbourn seconded, and the motion passed unanimously.

### **Attorney's Remarks**

Mr. Emery stated for future surplus property sales the City will need to follow a statutory process. The process states the City must establish a finding. Once a finding has been established, there are three ways to sell the surplus property: 1) a sealed bid, 2) public auction, and 3) if the City has a sealed bid or auction with a set reserve and the reserve is not met, then the City has an option of using a broker.

Mr. Emery noted he was aware the Council wanted the employee handbook to be reviewed. He reminded them to be sure and set aside some time and money to have him review the handbook and make some recommendations.

The last subject he wanted to cover was under KRS 83A.060 subsection 11: the City must complete a review at least once every five years of all ordinances for consistency with state law and with one another, and to be revised to eliminate redundant, obsolete, inconsistent and invalid provisions. Joanne Bader asked how does KRS 83A.060 relate to the recodification process of the ordinances. Mr. Emery stated the codification process allows for sequencing to occur, making it easier to access the law by categorizing. The statutory requirements are for more detailed analysis of whether or not the ordinances work with state laws, with one another, and if laws are obsolete.

The mayor asked if the Council had any questions or issues they would like to discuss with Mr. Emery. There weren't any further questions, so the mayor excused Mr. Emery and Mr. Veeneman.

### **Police Report**

Chief Sweeney reported that there wasn't a lot of crime the last two months. He noted that the crimes that happened in the City were automobile break-ins, which are crimes of opportunity. The automobiles had items of value in clear view. The police report is included as part of the minutes.

### **Forest Board Report**

Gil Zinner reported the Forest Board has set up three Monarch way stations. He also noted the board's Arbor Day/Dogwood Festival planting is scheduled for Saturday, April 19<sup>th</sup>, 10:00 A.M. at Henderson Park.

### **Other**

The Mayor asked the Council's confirmation of an appointment of a part-time police officer. Chief Sweeney introduced Mr. Tony Ford, a retired LMPD and St. Matthews's police officer who is becoming a

part-time officer for the City. Mr. Ford was recognized as “officer of the year” for two years and has many other distinguishing qualities. Cary Campbell made a motion to confirm Mr. Ford’s appointment; Joanne Bader seconded, and the motion passed unanimously.

### **Unfinished Business**

Mayor Crawford asked for a motion to approve the minutes for the regularly scheduled Council meeting on February 18, 2014. Joanne Bader made a motion; William Klump seconded, and the motion passed unanimously.

Mayor Crawford asked for a motion to pass the minutes for the special council meeting on March 10, 2014. Joanne Bader made a motion to pass the minutes, with one correction adding the required “Attested and Approved” block at the end; Nancy Zinner seconded, and the motion passed, with 5 in favor and William Klump abstaining because he did not attend the meeting.

Mayor Crawford spoke to the Council about the shortfall of revenue that the City is currently experiencing. He specifically noted the issues with the sanitation refund, diversion of road funds, and the early spending of tax revenues by the previous administration before the actual start of the fiscal year. Mark Stevens asked whether these were issues that can be resolved in one year. The Mayor acknowledged that there are lots of uncertainties, however the City must try to get fiscally healthy. There was discussion about where and how to generate more revenue to cover expenses. The mayor requested a second reading of a proposed ordinance to raise the rate for licensing fees for insurance companies from 8.25% to 10%, and he asked for a motion to adopt the ordinance. Mark Stevens made a motion to adopt the “Ordinance Imposing License Fees Upon Insurance Companies For The Privilege Of Engaging In The Business Of Insurance Within The Corporate Limits Of The City Of Audubon Park” and Joanne Bader seconded. The mayor asked for discussion. Cary Campbell and William Klump both opposed a change in rates. Joanne Bader was in favor of the ordinance as long as the City revisited the rate increases next year. Vince Osbourn asked how much additional revenue the rate increase would generate. William Klump noted he feels that raising the property taxes would be the most equitable and fairest way to spread out the increase to the residents. Cary Campbell made a motion to table the motion to increase the insurance tax rate. Vince Osbourn seconded and noted he wanted to hear what the residents have to say about increasing the taxes. The motion passed unanimously.

### **New Business**

Vince Osbourn asked about the inventory of the City’s assets. The Mayor reported the inventory is in progress.

Joanne Bader noted that the City has applied for a re-codification grant for the City’s ordinances and we should know something by July.

### **Mayor’s Report**

Mayor Crawford is reviewing the charters for all of the City’s boards (Forest, Ethics, Code Enforcement etc) to ensure member terms and all conditions that affect the boards are updated for the re-codification as well as appointments made as needed. The Mayor noted that Chief Sweeney wanted to start a Citizen’s Police Advisory Board. Cary Campbell suggested a Parks and Recreation board, with the Mayor observing that there are statutory provisions for both proposed boards.

## **Public Comments**

Mike Gardner, 926 Audubon Parkway: Mr. Gardner expressed his dismay with the City's accountant and auditor. He also noted that he felt the previous mayor misled the residents and the Council. Mr. Gardner noted that if taxes needed to be increased for legitimate reasons, he was ok with that option. He suggested the residents start using Audubon Park instead of Louisville in their communications with their insurers, which might help with insurance taxes being paid to the City, rather than to the City of Louisville. He noted his disapproval of the "due to/due from" accounting method in the audit and said the City needed a new CPA.

Darrell Shelton, 919 Audubon Parkway: Mr. Shelton wanted to reiterate Mr. Gardner's sentiments. He also agreed if the money is well managed and it helps the City, he too is agreeable to raising taxes. He also noted that cutting police coverage would be just as detrimental to attracting new residents and maintaining home values as raising property tax or insurance rates.

Tony Williams, 3220 Eagle Pass: Mr. Williams stated that the pavement on Eagle Pass is a mess. He asked since portions of Eagle Pass are in Audubon Park and some are in Metro Louisville, can the City ask that Metro Louisville help with paving the street (It was noted the portion of the road with the worst damage is located in Audubon Park). Mr. Williams also had some suggestions for the City to help with the financial issues it is experiencing. He noted the City has real estate in its parks and they could sell one of the parks to raise funds. He also suggested a surcharge for property taxes on rental homes. Mr. Williams asked about the plan for capturing more of the insurance taxes that may be getting diverted to Louisville, rather than Audubon Park. Mayor Crawford stated that he is going to include stickers in the property tax bills that state "Pay Audubon Park."

Jack Grether, 1028 Audubon Parkway: Mr. Grether noted communications from the City to the residents are not accommodating to the elderly, or to residents who are not computer savvy. The Mayor acknowledged the communications challenge, and said the City would like to get the newsletter out quarterly; however, finances are not there to do so at present. Mr. Grether asked whether, when the residents make the request to the insurance companies to pay Audubon Park, they are bound by law to pay Audubon Park. The Mayor's answer was yes.

Rose Mangino, 3102 Meadowlark: Ms. Mangino voiced her dismay at possible tax increases. She also noted that she will run for Council, and find others who do not want the taxes to increase to run for Council and they will lower the taxes.

Laura Kelty, 3242 Cross Bill: Ms. Kelty expressed her opposition to raising taxes. She noted the residents cannot continue to be cash cows anymore to pay for the past administration's mistakes.

John Mangino, 3102 Meadowlark: Mr. Mangino noted the Council needs to get the heartbeat of the residents, possibly via a survey. The City needs to hear what the residents need and want. The City can then determine what action to take. He also noted the financial mismanagement over the past ten years will not be rectified in one year.

Pete Becker, 3105 Chickadee: Mr. Becker voiced that he wanted 24-hour police protection. He also noted the people who knew the \$300,000 was not available should have told the Council long before now.

Suzanne Eberenz, 1147 Dove: Ms. Eberenz noted being told the money is there (re the Sanitation credit), when in fact it was not, was actually theft by deception and someone should be held accountable.

John Wientjes, 3100 Teal Ave: Mr. Wientjes noted that some residents are cheating the City out of taxes because they have their cars registered in other states.

Jim Head, 1112 Audubon Parkway: Mr. Head noted he was an accountant for 40 years, and never heard of “due to” and “due from.” The Mayor reported to the residents that Mr. Veeneman and the City are parting ways.

Joanne Bader asked the Mayor if the Council needs to make a motion to give authority to reactivate the line of credit to help with cash flow. The Mayor replied this step was not necessary.

Gil Zinner, 3315 Wren: Mr. Zinner asked the question if there was action being taken to recover any of the misspent money from the auditor or former Mayor.

The Mayor asked for a motion to bring the proposal for raising insurance taxes off the table. Cary Campbell made a motion to keep the proposal on the table; William Klump seconded, and the motion passed unanimously. This effectively leaves the insurance tax rate the same for the upcoming year, since by law any change had to be reported to Frankfort by March 23.

William Klump made a motion to adjourn; Cary Campbell seconded, and motion passed unanimously.

The meeting adjourned at 10:15 P.M.

The next scheduled meeting will be Monday, April 21, 2014.

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Attested

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Approved