CITY OF WEST LAFAYETTE
COMMON COUNCIL
PRE-COUNCIL MINUTES
JANUARY 2, 2014

The Common Council of the City of West Lafayette, Indiana, met in Council Chambers at City Hall on January 2, 2014, at the hour of 4:30 p.m.

Mayor Dennis called the meeting to order and presided.

Present: Bunder, Burch, Hunt, Thomas, and VanBogaert.

Absent: Dietrich, Keen

Also present were City Attorney Burns, Clerk-Treasurer Rhodes, Public Works Director Buck, Police Chief Dombkowski, Street Commissioner Downey, Fire Chief Heath, WWTU Director Henderson, IT Director Newman, Parks Superintendent Payne, and Director of Development Poole.

UNFINISHED BUSINESS:
Ordinance No. 31-13 An Ordinance Requesting An Additional Appropriation For The Cumulative Firefighting Building And Equipment Fund (Prepared by the Clerk-Treasurer) PUBLIC HEARING

Mayor Dennis read Ordinance No. 31-13 by title only.

There was no discussion.

NEW BUSINESS:
Ordinance No. 01-14 An Ordinance To Approve Blanket Bond Coverage For 2014 (Prepared by the Clerk-Treasurer)

Mayor Dennis read Ordinance No. 01-14 by title only.

Clerk-Treasurer Rhodes explained that this is a requirement for several elected officials to be bonded or have insurance coverage in order to hold their offices. She stated that this is the most cost-effective way to provide the coverage.

There was no further discussion.

Ordinance No. 02-14 An Ordinance To Name Depositories For The City Of West Lafayette (Prepared by the Clerk-Treasurer)

Mayor Dennis read Ordinance No. 02-14 by title only.

Clerk-Treasurer Rhodes stated that this is an annual or biennial event which allows us to conduct City business.

There was no further discussion.

Ordinance No. 03-14 An Ordinance Providing For Temporary Loans And To Extend The Time For Repayment Of Temporary Loans Outstanding From 2013 (Prepared by the Clerk-Treasurer)

Mayor Dennis read Ordinance No. 03-14 by title only.

Clerk-Treasurer Rhodes explained that this ordinance addresses two issues. The first is the problem we have with the delay in receiving COBRA payments from our third-party provider. This causes us to have temporary loans that cannot be repaid by the end of the year. They are among the vision, medical, and dental insurance payment accounts. She stated that when our new accounting system is in place, this problem will disappear as we will be able to consolidate several transactions. The second issue is our standard advance request for funding temporary loans from the WWTU for City operations. The amount is just to begin the year, but it is not expected to be needed for several months.

There was no further discussion.

Ordinance No. 04-14 An Ordinance Requesting An Additional Appropriation And Reduction To The 2014 Budget (Prepared by the Clerk-Treasurer)

Mayor Dennis read Ordinance No. 04-14 by title only.

Clerk-Treasurer Rhodes explained that there is a need to rework the City budget in order for us to go forward with the new accounting system. We are able the implement the cost accounting, which is embedded in the chart of account standards from the State Board of Accounts, and we are disbursing the benefit and insurance costs among all of the functions. Previously, because of the limitations of our current system, they were all grouped in the Clerk-Treasurer's budget. We are now going to be keeping the accounting in each function, which was a large amount of the movement of dollars. She explained that, given that we were making this change and that we now have exact information, we incorporated the actual health insurance costs, enrollments, and the renewal of our property and liability insurance package for 2014. She stated that we have continued to work on the chart of accounts and are testing to ensure that we can have the kind of reporting that management needs and the ability to answer questions posed by the Council and others in terms of cost of services. Clerk-Treasurer Rhodes explained that the mechanism for reworking a budget involves additional appropriations to increase certain categories and budget reductions to reduce other categories. She explained that many of the changes involve moving appropriations among the departments of the General Fund. She stated that it seemed clearer to simply show all of the increases and then all of the decreases, rather than to show some as transfers and netting the increases and decreases. There is no change to the total budget amount. Many of the changes related to the insurance coverage. This ordinance will require a public hearing at the February meeting, and will allow us to meet the schedule in getting ready to go live with the new system.

Councilor VanBogaert asked how easy it was to break those cost items out into their functional areas. He asked if a majority of the costs were obviously placed or if there were a number of decisions made on a subjective basis about where those costs should end up.

Clerk-Treasurer Rhodes responded that we disbursed benefit costs, which were the single biggest cost, and we have those for each individual. The property and liability is also broken down in part already, and based on the different kind of coverages they were allocated appropriately based on the liability or property values in various functions. The single biggest change was in law enforcement liability coverage, and that was easy to place and has always

been identified, so it is in the Police Department budget instead of the Clerk-Treasurer's budget. She stated that it was not subjective. There were a lot of extra calculations and computations not normally needed, it was just a matter of working through them.

Councilor VanBogaert asked if it was a minimal impact on public policy.

Clerk-Treasurer Rhodes stated that every effort was made to ensure that the appropriations are there to support the functions. A third big change in the budget, which the Mayor is about to address, is the creation of the Facilities Department and the end of the City Hall budget. This involved moving utility costs that were paid in Fire, Police, and City Hall into one budget. She stated that those were also easy to identify and absolutely objective. Contracts related to building maintenance, which right now are overseen as one function by an outside contractor, were moved into the Facilities budget. It was a matter of moving appropriation support where the functions are going to be executed. She explained that this is a sea change for the City to stop using the Clerk-Treasurer's budget as the housekeeping budget, which while it was very efficient for our current system and provided a lot of the controls which will be otherwise available to management with the new system, it really worked at cross-purposes with proper cost accounting. She stated that the City is going ahead and the right direction by making these changes to support larger operations and the kinds of management issues that will occur with growth.

Councilor VanBogaert expressed his support, stating that it sounds more ideal for transparency.

Mayor Dennis stated that when transitioning to a new system a lot of these housekeeping things can be done that had been our internal custom for quite some time.

Councilor VanBogaert asked if there would be good documentation for someone to compare to past years.

Clerk-Treasurer Rhodes responded that we are going from one to many and there will be a lot more detail. Although one could through back-calculations, it would be difficult to look at the Clerk-Treasurer's insurance budget and quickly determine how much was spent on Police. It could be determined by going back through billings, but practically we will be carrying a lot more detail now and are going through a transition. We will have all of it available.

Councilor VanBogaert stated that he wanted to ensure that constituents and members of the media could provide objective thoughts on the budget, and that usually happens in a comparative way. Anything as far as documentation or direction that might help in comparing this and future budgets to the past would be appreciated, but he knows that there is a lot to it.

Mayor Dennis stated that this is good for the administration as well, as it allows a more historic advantage from what we had.

Clerk-Treasurer Rhodes stated that we are in a great time in the City and this is the time to make this change and have all of these benefits. There may be some refinements, but a year from now we will be much farther ahead in the budget process. The deadline to go live with the financial part of the new system is April 1, and she hopes that the Council will be pleased with the kind of information available for the budget process and for oversight going forward.

There was no further discussion.

Ordinance No. 05-14 An Ordinance To Amend Ordinance No. 23-13, To Fix The Salaries Of Appointed Officers, Employees, And Members Of The Police And Fire Departments Of The City Of West Lafayette, Indiana, For The Year 2014. (Submitted by Mayor John Dennis)

Mayor Dennis read Ordinance No. 05-14 by title and explained that this will be for the creation of our Facilities Director job position. He explained that there was a lot of expense going out in regards to building maintenance and inconsistency in some of the things we were doing. It was decided that it would be in the City's best interest, both financially and with efficiency, to have a staffer there to handle that responsibility. We will create the position and hope to have it filled shortly. He explained that this person will be involved in having a central point for purchasing as one of the many things this individual would be able to do. It will be great to have someone there on the spot with an understanding of how our utilities and facilities work instead of having a consultant come in.

There was no further discussion.

Ordinance No. 06-14 An Ordinance To Establish The SAFER Grant Fund And Appropriate The SAFER Grant Award (Prepared by the Clerk-Treasurer)

Mayor Dennis read Ordinance No. 06-14 by title only.

Fire Chief Heath explained that the Fire Department applied for and received the SAFER grant from the federal government, in the amount of $1,155,000. The grant will allow the hiring of seven additional firefighters for a period of two years. The ordinance is to establish the fund so that we can receive the funds as needed to draw down when payroll is required to pay these individuals.

Mayor Dennis asked what happens at the end of that two-year term.

Chief Heath responded that after that term we would have to sustain those firefighters on those positions. Funds that we may not use initially can be applied at the end of that, but it is a two-year grant and it is funds that we can use. We have some retirements coming this year, and this will help us fill those positions. Two years from now, with growth in the City, those firefighters will be on the street, working at the level we need them at instead of just starting out as we begin providing services to the west.

Mayor Dennis asked if there was a timeline on this legislatively.

Chief Heath responded that we have 30 days to accept the grant from the time when the Department was informed that they had received the grant, which was on December 20, 2013. We have 90 days to start the hiring process.

Mayor Dennis asked what that would require for this body.

City Attorney Burns responded that, as Clerk-Treasurer Rhodes reminded him, a resolution is all that would be all that is required to accept the grant fund. However, because the fund must also be established in order to receive the money, Clerk-Treasurer Rhodes correctly put it into an ordinance format so it can all be done at once. He knows that there is an interest in either suspending the rules to have two readings or in having a special meeting to complete the process by January 20, 2014.

Clerk-Treasurer Rhodes clarified that federal monies received on a reimbursement basis as expenses are incurred are not required to go through the standard public hearing additional appropriation procedures. They are under the same procedures used for appropriating insurance recovery for example. So, a resolution is all that is needed to appropriate the entire grant. The establishment of fund is recommended to make the accounting for the grant funds very clear. It would operate similar to CDBG funds as the grant is a draw grant. It makes the accounting very clean while meeting all of the federal reporting requirements.

Mayor Dennis stated that he had experience with this as a Police Officer. It empowered the participating entity to plan for absorbing the costs at the end of the grant period. He asked, hypothetically, what would happen if the economy tanks and we are not performing well as far as revenue goes.

Chief Heath responded that we have looked out to the future. We do have some retirements, and actually received a resignation today, so there are four positions. He stated that we can plan for those things.

There was no further discussion.

ADJOURNMENT

There being no further business at this time, Councilor Burch moved for adjournment. Mayor Dennis adjourned the meeting, the time being 4:58 p.m.