



TOWN OF ASHLAND CITY Budget Meeting February 15, 2022 6:00 PM Minutes

CALL TO ORDER

Mayor Allen called the meeting to order at 6:00 p.m.

ROLL CALL

PRESENT

Chairman Mayor Steve Allen
Committee Member Tim Adkins
Committee Member Gerald Greer
Committee Member Chris Kerrigan
Committee Member JT Smith
Committee Member Kevin Thompson
Committee Member Tony Young

APPROVAL OF AGENDA

A motion was made by Committee Member Greer, seconded by Committee Member Kerrigan, to approve the agenda. All approved by voice vote.

APPROVAL OF MINUTES

1. June 15, 2021 Budget Meeting Minutes

A motion was made by Committee Member Kerrigan, seconded by Committee Member Smith, to approve the June 15, 2021 Budget Meeting Minutes. All approved by voice vote.

OLD BUSINESS

None.

NEW BUSINESS

2. ECD Grant (Berm) Account

Ms. Bowman stated that this was an account for the Berm and it was from a very long time ago. She stated that GNRC was managing the grant and the money was coming from the State and going to A.O. Smith. Ms. Bowman stated that \$1,213,650 come in and out so we closed the account and no longer have anything to do with this grant.

3. Health Plan Account

Ms. Bowman stated that this was an account that she found that was used to take money from employee paychecks and pay for their healthcare. She stated that the last time money came out of this account was in 2014 and whoever was in charge of that account at the time should have removed the rest of the money and put it where it needed to go. Ms. Bowman stated that this account has just been sitting since 2014 and the auditors said that because it was used to pay health reimbursement, we could close the account and move that money to our payroll account to help pay for our current health reimbursement. She stated that this has been done. Mayor Allen asked if this was for HSA funds. Ms. Bowman stated that it was for HRA. She stated that another issue she found is that the past auditors had created a separate line item for this money so it doubled the amount in our fund balance. Ms. Bowman stated that this will be something she will need to discuss with the auditors this year to find out what needs to happen.

4. Flood Relief Account

Ms. Bowman stated that this was money from a federal grant. She stated that the only way money could go into this account was if we submitted a receipt for reimbursement. Ms. Bowman stated that she believes that the majority of this money that was reimbursed was for the water department. She stated that what should have happened was that when the money was reimbursed to the city, it should have been dispersed back to the department it came out of. Ms.

Bowman stated that this money needs to be moved out of this account and then the account needs to be closed. She stated that the auditors went back through previous audits and recommended that it go back to water, but it has to be decided on by the council. Ms. Bowman stated that she spoke with Mr. Biggers and he would really like to get new meters. She stated that they have already budgeted for additional funds in the next budget year to purchase these and this would be a significant help towards that. Ms. Bowman stated that it would need to be voted on at Council.

5. Fiscal Recovery Fund Account

Ms. Bowman stated that our city was awarded \$1.4 million and has received \$707,223.83 of it. She stated that next November we will receive the same amount. Ms. Bowman stated that this is to be used to make long-term generational impacts in our community and the council will need to decide how to spend this money. She stated that the Council will make a plan, submit it to the State and the Treasury, and then they will have to approve that plan. Ms. Bowman stated that they have to have their plan on how to spend it in place by December of 2024 and the money has to be spent by December of 2026. Committee Member Kerrigan asked if the money could be spent on anything. Ms. Bowman stated that it could not. She stated that she gave all the Committee Members a copy of the final rule on how the money could be spent and what it could be spent on. Ms. Bowman stated that she would like everyone to read it and decide what they would like to do. She stated that the money could not be spent on anything that was in place prior to March 03, 2021, including City Hall and Fire Hall. Committee Member Adkins asked if it could be spent on several things and not just one project. Ms. Bowman stated that it could.

6. Budget Overview

Ms. Bowman reviewed the new additions and all capital projects in the entire budget. She reviewed the prebid figures for the Sewer Treatment Plant and reviewed new positions for all departments. She stated that our current fund balance Ordinance states that we are to keep 50% of our expenses in the bank at all times which is six (6) months so that if something happened to us we can still pay our bills for six (6) months. Ms. Bowman provided information on property taxes and cost of living raises. After much discussion, they requested that Ms. Bowman provide projections for cost of living raises at three, five, and six percent (3%, 5%, and 6%) as well as projections for property taxes at different rates including the current rate of fifty-three cents (0.53).

7. Budget Revenues

Ms. Bowman reviewed anticipated revenues for the city. She provided projections for grants that have been awarded and the grants that have been applied for. She provided projections on State taxes, Hotel/Motel taxes, and other revenues anticipated from each department.

OTHER

None.

ADJOURNMENT

A motion was made by Committee Member Greer, seconded by Committee Member Kerrigan, to adjourn the meeting. All approved by voice vote and the meeting adjourned at 7:17 p.m.

MAYOR STEVE ALLEN

RECORDER ALICIA MARTIN, CMFO