

## **KIRTLAND CITY COUNCIL MINUTES**

### **June 5, 2023 – Work Session**

The work session meeting of Kirtland City Council commenced at 6:40 p.m. Council members present were: Ronald Fenstermaker, Suzanne Grazia, Scott Haymer, Richard Lowery and Joseph Smolic. Absent: Matthew Schulz and Eric Ziegler.

Mayor Kevin Potter, Service Director Joseph Fornaro, Police Chief Brian McCallister and Fire Chief Anthony Hutton were also in attendance. Finance Director Louis Slapnicker was in attendance by telephone.

Finance Director Slapnicker advised that the April financial statements have been forwarded to Council members.

Noting that legislation for the tax budget is on tonight's agenda, Mr. Slapnicker advised it does not need to be passed tonight and he will review it in detail at the next Council meeting. It was noted that a public hearing on the tax budget will be held at the next meeting.

Mr. Slapnicker advised that the amended appropriation is also on tonight's agenda, and he is requesting that Council pass that legislation tonight. He advised that he sent to Council this morning a summary of changes, noting that in total the budget will be increased by \$77,475.06.

Noting that there was a recent engine failure issue with a Service Department truck, Mr. Slapnicker said there is a \$32,150 capital increase to retrofit another vehicle for a truck body and other modifications.

Mr. Slapnicker said there is a \$10,300 increase for the industrial appraisal for insurable value citywide. To his knowledge, the City has never had a citywide appraisal of all buildings, equipment, and things of that nature. He said originally in the budget he had \$10,000. After talking with Industrial Appraisals, since the City has never had this done, Mr. Slapnicker said they are going to tag the equipment and provide updated values, which goes hand-in-hand with the City's insurance renewal each year. He stressed this is necessary to make sure that everything is insured up to its current market values.

Mr. Slapnicker said another significant item is two liquid pre-wet systems for the new trucks in the amount of \$14,840. He noted there was also an issue with an excavator, and repair is estimated at \$10,000.

Council President Smolic inquired if the appraisal is for buildings, equipment and property. Mr. Slapnicker replied affirmatively, noting that it will be sent to the insurance carrier. When the City prepares to renew next year, they will provide a long detailed report to help value the city for insurance purposes.

With regard to revenue, Mr. Slapnicker said the City is in good shape with regard to collections of significant items. As of June 5, income tax collected year to date is \$2,556,000, which is almost 56 percent of the amount originally budgeted. He advised that the Regional Income Tax Agency collects the income tax, noting that Kirtland had conservatively budgeted approximately \$11,000 as a refund. Their costs of collections, which the City estimates at 3 percent, came in at 1.36 percent. This results in a refund of almost \$30,000.

Mr. Slapnicker advised that the City already received BWC reimbursement for the group retro plan for the prior year in the amount of \$12,881, which was unexpected. Mr. Slapnicker said this is difficult to budget, noting that the City could potentially owe money.

Mr. Slapnicker advised that property tax in the General Fund is at 59 percent collection of the amount originally budgeted. He said this was anticipated, noting that the County always has a reduction factor because of people that do not pay.

Looking at the revenue, Mr. Slapnicker said the City can definitely support this increase in the appropriation.

Answering Council President Smolic, Mr. Slapnicker explained the process for the RITA refund. He noted they hold a collection fee, and then determine their actual cost of collection. Because it came in less than estimated, the City now gets a refund.

Councilman Fenstermaker inquired about Ordinance 23-O-44 for the plow truck. Mr. Slapnicker said the City had budgeted \$260,000, and it is coming in a little under budget; the purchase needs to be authorized by Council since it exceeds \$25,000. Mr. Fornaro requested that the legislation be adopted tonight; he noted it is a 2-1/2 ton truck. Mr. Fornaro said it is a six-yard dump truck and it comes with a snowplow. He noted that the truck is already built, and the truck will be delivered quickly if the legislation is adopted tonight.

Mayor Potter requested that Resolution 23-R-40 be adopted tonight, relating to the appointment of Mr. Davis to the Board of Zoning Appeals. Mayor Potter noted that Mr. Davis is the project manager for JLJI Enterprises, and manages 225 people. He is a carpenter by trade, and has worked for several different development and commercial building companies. Mr. Davis has an understanding of zoning and building codes. Mayor Potter said he will be a valuable addition to the Board of Zoning Appeals.

With regard to Resolution 23-R-45 relating to Standing Committees, Council President Smolic noted that the amendment appoints Ms. Grazia to three committees.

Mayor Potter advised that Resolution 23-R-43 can proceed to the next reading; he noted there is still some work to do on the administrative policies.

Mr. Fornaro requested that a meeting of the Service Department Standing Committee be scheduled to discuss the solid waste contract. The meeting was scheduled for Monday, June 12, 2023, at 6:00 p.m.

There was no further discussion, and the work session meeting adjourned at 7:01 p.m. upon the consensus of Council.

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President of Council

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Clerk of Council