

## Cold Spring City Council Special Meeting June 14, 2010

The special meeting of the Cold Spring City Council, as advertised, was called to order by Mayor Mark Stoeber. The regularly scheduled caucus meeting will immediately follow this special council meeting. Roll call showed the following members present: Lou Gerding, Brenda Helton, Rob Moore, Stuart Oehrle, Janis Reiman, and Sandy Ross. Also present were Rita Seger, City Clerk and Michael Vank, Administrative Officer.

Mayor Stoeber pointed out exits from Council Chambers, per Fire Department regulations.

John Chamberlin, auditor with Van Gorder, Walker & Company addressed council to summarize the city's last audit. He stated that he presented the full details of this audit to the city's finance committee. No serious significant deficiencies were found. Mr. Chamberlin pointed out that we were in accordance with government audit standards and it was fairly presented in accordance with those standards. This is the highest opinion they can give in what is called an unqualified opinion. He reviewed the assets, liabilities, and total net assets of the city. Assets are increasing steadily, liabilities are decreasing steadily, and it shows a very positive way of managing the city's funds. Mr. Chamberlin reviewed the total revenues, expenditures, and fund balance. He reported on internal controls which show a small deficiency that most cities of this size receive. These were discussed in length with the city's finance committee. The city is in compliance with K.R.S. standards. Mr. Chamberlin thanked the city for allowing his firm to do the audit this year and looks forward to working with us in the future.

Mayor Stoeber stated that the second two items on the agenda are the second readings on the budget - the first to amend the 2009/2010 budget, and the second to adopt the 2010/2011 budget. He stated that at the last vote for a first reading to adopt the 2010/2011 budget there was an unusual occurrence where we had abstentions involved in the vote. Mayor Stoeber wanted to refresh council's memory and educate the public on how abstentions are treated and recorded in the minutes of that meeting. Most people assume abstentions are a vote with the majority however an abstention is not a vote at all. Mayor Stoeber explained that a quorum of votes is required to be sufficient to take action. In our case, since we have a legislative body of six people, a quorum of four votes is required. The vote for the first reading adopting the budget showed three who voted yes on the budget, one who voted no on the budget, and two who abstained. The record vote for the budget is three yeses, one no, and two abstentions. Since we did have a quorum of four votes (three yeses and one no) the motion carried. Abstentions don't count. If by chance we don't have a quorum vote tonight, or if council doesn't pass a budget, then by law next year's budget is automatically adopted for the current year since the city cannot operate without a budget. The only way around this would be for council to constantly vote on amending the current budget. Given the unusual nature of the last vote he wanted everyone to understand where we are heading.

**Ordinance 10-965 amending the 2009/2010 budget was read in summary form for the second time.** Rob Moore made a motion to adopt this ordinance, and Stuart Oehrle seconded the motion. Roll call vote showed six yeses and no noes. **Motion carried.**

**Ordinance 10-966 approving the 2010/2011 budget was read in summary form for the second time.** Stuart Oehrle made a motion to adopt this ordinance, and Janis Reiman seconded the motion.

Janis Reiman questioned a fund balance difference of \$500. Mayor Stoeber stated that an adjustment of \$500 would be made to correct that figure.

Sandy Ross wanted to make sure everyone on council was comfortable with the attached pay plan and were aware of the changes that were made, as discussed by the personnel committee. Brenda Helton questioned if the pay plan was the recommendation of the personnel committee. Mayor Stoeber stated that this is the recommendation of the administration and mayor's office along with the public works committee because we don't have an administrative sub-committee. These operating committees recommended what the numbers should be and they were reviewed and discussed by the personnel committee as far as equity, fairness, and those types of human resource issues.

Roll call vote showed four yeses and two noes - Brenda Helton and Lou Gerding. **Motion carried.**

**Ordinance 10-967 approving the lease with PNC Bank for financing M.A.R.F. funding was read in summary form for the second time.** Stuart Oehrle made a motion to adopt this ordinance and Janis Reiman seconded the motion. Mr. Oehrle clarified that we are looking at the financing and trying to get the lower interest rate, as discussed at the last meeting. He verified that everything is in place, nothing has changed and that we have locked in the rate.

Mayor Stoeber stated that, while the agreement says that the financing is not to exceed two million dollars, it is important to note that it doesn't mean we are spending two million dollars. In the prior vote, we approved a one million dollar expenditure. We may possibly be looking at taking advantage of this excellent financing rate coupled with possibly excellent bids from contractors. If in fact there is any concept or idea of spending more than one million dollars or at least discussing this, then it would come back before council.

Roll call vote showed five yeses and one no - Lou Gerding. **Motion carried.**

Lou Gerding made a motion to adjourn and Stuart Oehrle seconded the motion. All were in favor. Motion carried.

**Approved:**

**City Clerk:**

**Mayor:**