

**AGENDA FOR A FINANCE COMMITTEE MEETING  
TUESDAY, DECEMBER 19, 2017, 6:45 PM  
EXECUTIVE CONFERENCE ROOM, SECOND FLOOR  
MUNICIPAL BUILDING**

(Councilmen Stanley, Kuhl, Mercer and Reynolds)

- I. CALL TO ORDER – Councilman John Reed, Chairman
- II. ROLL CALL
- III. MINUTES – meeting held November 16, 2017
- IV. NEW BUSINESS
  1. Discussion and/or action on City Council's Rule XIX, Expenditures of Council, concerning travel to Municipal League meeting January 2018.
- V. ADJOURNMENT

The Finance Committee of City Council met Thursday, November 16, 2017 at 3:30 PM in the executive conference room on the second floor of the Municipal Building at One Government Square, Parkersburg, WV 26101.

The meeting was called to order by Chairman, Councilman John Reed, who presided over the meeting. Members attending included Councilmen Zach Stanley, Sharon Kuhl, Bob Mercer, Mike Reynolds, and John Reed.

Others attending included Councilmen JR Carpenter, Jeff Fox, Eric Barber and Dave McCrady; Mayor Tom Joyce, Joe Santer, Eric Jiles, Chief Martin, Chief Matthews, Sondi Wallace, and Rickie Yeager.

MINUTES – Mr. Reynolds moved, seconded by Mr. Mercer, to approve the minutes from the meeting held October 17, 2017, and the motion was adopted by unanimous vote.

## CONTINUED DISCUSSION ON FIRE AND POLICE PENSIONS

### CUTS:

Chairman Reed thanked Mayor Joyce and Eric Jiles and staff, and the committee for spending endless hours looking for ways to reduce costs.

Sub Committee Report on cost savings: Councilman Stanley reported that he and Ms. Kuhl talked with each department head and said there was not a lot they could cut and still be efficient in providing services. They did suggest cutting uniform allowance for the police and fire from \$800.00 to \$500.00 a year, and they felt the departments could still maintain a professional appearance. That savings would be approximately \$40,000.00.

Councilman Reynolds' report from his subcommittee with member Bob Mercer was to ask Mayor Joyce to look at employee reduction through attrition during our next budget. Most of the departments have already been cut, some as much as 40% in employees. He said he was available to meet with the Mayor in the future.

## REVENUE

Finance Director, Eric Jiles, supplied all attending four options for revenue to cover the approximate \$2,500,000.00 needed to fund both pension plans.

Option 1 was a combination of increasing fire fees by 20%, police fees by 100% and the user fee by 50%.

Option 2 was a proposal for an excess levy increase which would represent a 41% increase in our current regular and excess levy.

Option 3, the Administration's proposal, was to implement the 2% utility tax, increase the fire fee 35% and increase the police fee 100%.

Option 4 was to increase fire fees by 115% and police fees 100%.

Mr. Jiles explained that the fire fees had not been increased since 1984 and the police fees since 1987. The total average increase for option 4 would be approximately \$11.00 per month for the average resident.

Mr. Barber stated that he was in favor of incremental increases to lessen the burden for the 100% increases, similar to increases in the water and sewer departments, and he also noted these increases are only for homeowners. The user fee should be increased so the homeowners won't have to pay it all. People who don't live here won't be contributing anything, he said.

Mayor Joyce said those incremental increases had to do with bonding. Mayor Joyce thinks the best way to make decisions is when they are needed. There are benefits to incremental increases, such as cost of living increases for employees. Any future City Council can always make changes to what we might do, he said, but we need to be *mindful that we don't raise anything other than what is necessary to provide the services.*

That concern is that Council would be increasing every fee we have, Mr. Reed stated, and that is too much to put on them at one time, so they focused it down to two increases instead. We are doing this for the police and fire pension funds, and he thinks the burden is less if we just raise police and fire fees. It is too overpowering raising everything, he said.

Mr. Carpenter asked what the State requires us to pay, and Mr. Jiles said that under the alternative strategy it is \$4,000,000.00 and we had to put in extra. Under the optional strategy the payment requirement is \$6,756,000, and that will go down over time. The plan requires us to be fully funded by 2050.

We have plenty of time, Mr. Carpenter stated, and we are not alone in this problem. 70% of cities in the United States have the same problem.

If we don't pay the minimum, the City won't get \$1,300,000.00 from the State, Mr. Jiles stated.

Mr. Carpenter thought the 1% sales tax that we got through Home Rule was to go to the pension funds, but Ms. Kuhl explained that she thought the same thing, but the City decided not to do that. The Home Rule Program said it could be used for pensions if the City chose that option, but they did not.

The City still realized \$4,000,000.00 from the 1% sales tax, Mr. Carpenter stated, and he would like to see it in the budget first. The money has been coming in for two years, and we should re-apply it to the pensions.

The net amount from the 1% was \$3,000,000.00 and not \$4,000,000.00, Mr. Jiles stated. We have increased the amount for paving streets and equipment.

The City has a big budget and the money should be in there for the pensions, Mr. Carpenter stated.

Budget preparation is underway, and Mayor Joyce needs to know Council's direction, Mr. Reed stated, and he wants them to work together. We have talked about these pensions for six or seven months, and we should have the recommendation to the Administration by the holidays. It would not be fair to the Finance Director to wait until the budget is due, he said.

Mr. Reynolds asked how we could make a recommendation until Council knows how much the Administration will take out of the budget. Mr. Reed said we need \$2,500,000.00 more.

The Mayor said he received criticism from Council and the public when we talked about the options a few months ago. If he had to balance the budget today, the cuts would be deep, he said. At some point in the future, people will thank us for closing the pensions when we did. The obligation will decrease and the community will be happy, he said.

MOTION – Ms. Kuhl moved, seconded by Mr. Mercer, to refer Option #4 on to City Council.

Mr. Reynolds said he was in favor of Option #4, but he is looking for attrition, and would like to know what the cuts in the budget will be. Mayor Joyce stated that we have open positions now, and he will ask for legislation to pay down the pensions with any funds left at the end of the fiscal year.

Until he sees the budget, Mr. Reynolds said he was not ready to vote on the ordinance, because it takes away motivation to make cuts.

The City cut out personnel over the past few years and we learned that we had to put some back, Mr. Santer stated, because we cut too deep. We may cut service if we cut more, he said.

Council does not have sufficient information on proposals to build new fire stations, Mr. Reynolds said. He would like to know the total cost, and if we could build two instead of three – and more information.

When Mr. Carpenter stated that City Council does not hire and fire, Mr. Reed said that Council's responsibility to tell the Administration what direction to take. They can make changes during the budget, he said, and said Council had the power of line item. Council has a responsibility and he thinks we owe it to the Administration.

VOTE – the motion was adopted by unanimous vote.

The meeting adjourned at 4:25 PM.

Respectfully submitted,

*Connie Shaffer*

Connie Shaffer, City Clerk

recommended during the executive session. A roll call vote shall then be conducted concerning such resolution. (amended 1/85, amended 3/90 to Personnel Committee)

#### RULE XIX. EXPENDITURES OF COUNCIL

Before a member of the Council shall make any agreement to buy, purchase, or contract services, or in any way commit monies of the Council in excess of \$100.00, or request any monies for services, expenses or fees in excess of \$100.00, he or she will first have prior approval of the Finance Committee and a majority of the Council.

#### RULE XX. REPORTS AND RESOLUTIONS

All reports and resolutions shall be filed with the City Clerk and entered in the minutes.

#### RULE XXI. READING AND ACTION OF ORDINANCES

Ordinances will be voted on at first reading, and if defeated will not be brought back up for second reading. (amended 6/28/83)

#### RULE XXII. ADJOURNMENT

A motion to adjourn shall always be in order and decided without debate.

**RESOLUTION TO CONSIDER REPRESENTATION FROM  
CITY COUNCIL TO ATTEND MID WINTER CONFERENCE TO  
THE WEST VIRGINIA MUNICIPAL LEAGUE AND AUTHORIZE  
PAYMENTS THERETO**

WHEREAS, Rule XIX, Expenditures of Council, (page 10) in City Council's rules and regulations state that "Before a member of the Council shall make any agreement to buy, purchase, or contract services, or in any way commit monies of the Council in excess of \$100.00, or request any monies for services, expenses or fees in excess of \$100.00, he or she will first have prior approval of the Finance Committee and a majority of the Council"; and

WHEREAS, some members of City Council have requested to attend the mid-winter meeting of the West Virginia Municipal League January 20-21, 2018 in Charleston, WV; and

WHEREAS, expenses are \$200.00 for registration, and room rates are \$124.00 per night; plus mileage or food expense.

NOW, THEREFORE, BE IT RESOLVED BY THE COUNCIL OF THE CITY OF PARKERSBURG that \_\_\_\_members of City Council are hereby authorized to attend this meeting, as funds are available in the budget.

Sponsored by the Finance Committee of City Council