

MINUTES  
CITY COMMISSION MEETING  
August 17, 2015

The City Commission met this date in a budget workshop session. A quorum being present, the meeting was called to order at 6:00 PM with the following in attendance.

Mayor	:	John B. Arnold, Jr.
Commissioners	:	Heyward H. Strong, Jr.
	:	Kay Hamilton
	:	Joe Morgan
	:	Clark (Tom) Browning, IV
City Clerk	:	Tammy Johnson
Police Chief	:	Joe Hart
Fire Chief	:	Mark Norris
Public Works Director:	:	James Valandingham
Library Director	:	David Weatherford

Others in attendance: Amber Elledge (camera)

Mayor Arnold said the purpose of the meeting tonight was to prepare our budget for presentation to the citizen's at the September hearings. He said everyone should've received their trim notices.

**BUDGET**

Budget

Mrs. Johnson said the first page covers carry forward and reserves. The total draft budget is \$9,744,275. She said if we keep 3 months operating reserves to cover General Fund activities we need to have approximately \$814,000 in reserves. Mrs. Johnson said the budget hearings are scheduled for September 9<sup>th</sup> and September 22<sup>nd</sup>, she has included a history of COLA and merit raises in a draft budget of 5.5% ad valorem current rate is 4.54%. She said the budget also includes the 9% decrease in health, 25 cents variable water rate, need to determine final ad valorem rate and COLA or merit if any.

Mrs. Johnson said \$15,000 was added to revenue for a boat improvement grant. She said since the last meeting she lowered health insurance in all departments also added the wages to Administration and Police for the IT person and also in Library and Water/Sewer.

Comm. Morgan asked about the IT position where the expenses are being taken from. Mrs. Johnson said that position had been added to wages of departments not a separate line item, also adjusted the FICA and retirement contribution. Comm. Hamilton asked how much was budgeted for IT person. Mrs. Johnson said total of \$51,000. Comm. Morgan said he understood the IT person for Admin and Catv but money also taken from Water/Sewer, Library, and Police. Comm. Hamilton doesn't want the money to be taken from the Library. Comm. Morgan said this is an enterprise position, minus the small benefit for doing work in other departments, he is essentially a cable employee. Comm. Strong said the purpose of the position is for the IT person to work with all of the departments. Comm. Morgan said Fire and Water/Sewer don't pay that much for IT support, they would benefit for him being here but it won't be worth more than already paying. Comm. Strong said Water/Sewer is an enterprise fund. Comm. Morgan said only using \$500 a year in IT support, Comm. Strong said that would be all that was paid to that position. Comm. Morgan asked how much was the Library donating. Mrs. Johnson said \$1,700. Comm. Hamilton asked how much was being spent in IT support annually from the Library. Mr. Weatherford said \$2,500 this position is a bargain for us. Comm. Hamilton said that in Mr. Weatherford's opinion this would be worth it, Mr. Weatherford agreed. Comm. Morgan said he sees how this could be beneficial for the Library but what about other departments? Comm. Morgan said we need to be careful where we are drawing money from and line it clearly. Mrs. Johnson said \$6,200 from Police and \$3,900 from Admin, \$1,700 from water/sewer. Comm. Hamilton asked Chief Norris what the Fire department spent on IT work. Chief Norris said they spent very little, most work they need done is done in house by a volunteer fireman who is also an IT person. Comm. Morgan said he thought the benefit would be equal or less cost than before not more cost. Comm. Strong said it is less for the Library. Mrs. Johnson said it is equally to what they spend yearly on IT support \$3,900. Comm. Hamilton asked what constitutes the \$50,000, Mrs. Johnson said cable pays the remainder. Chief Hart feels like an onsite person will help his department because he has had to wait for his IT person that he has now to complete his regular job before he could come and work on his problems in the police department, this way if the IT person is with the city he will be more readily available. Comm. Morgan said he understands the benefits just trying to see if the position is cost effective. He said he would like to make sure that each department gets its money worth. Mrs. Johnson asked if they want a separate line item in budget or on financials. Mayor Arnold said next year we need to make sure our percentages for each department are more realistic. Mrs. Johnson said Mr. Butler could mark down which department the IT person is working in if need be.

Comm. Strong said \$77,000 for the fire truck, it makes sense but is about 4/10's a mil just for a fire truck. Comm. Morgan said regardless the money needs to be in the bank, \$77,000 allows us to be able to buy fire truck at the end of the year. Comm. Morgan said we would save money by buying early. Mrs. Johnson asked if should be fire truck reserve or just fire truck.

Comm. Strong said leave off reserve just fire truck. Mayor Arnold recommends dropping \$77,000 to \$50,000 use the \$27,000 for employees COLA raises. Comm. Morgan said the \$77,000 is a fixed amount, raises are a separate issue. Mayor Arnold suggests half mill increase to do something for our employees. Comm. Morgan said we've done that in the past years. Mayor Arnold said replacing the A/C in the library is a must, the police car is a must, we could eliminate carpet and network computers but still don't come up with a significant amount of money unless increase ad valorem taxes.

Comm. Strong asked if we were looking at 1.5 or 2% on salaries. Mayor Arnold said 1%. Comm. Strong said raise ½ mill \$93,000 without raises still \$6,000 over so have to cut capital to get raise if we stick with ½ mill.

Comm. Strong asked if \$850,000 in General Fund reserves includes investment with league. Mrs. Johnson said yes it does. Comm. Strong asked if \$650,000 to \$750,000 for our reserves were adequate to meet for emergencies so think we can play with the \$750,000 to \$850,000 meaning we don't have to raise rate as much. Mayor Arnold said we could take \$36,000 out of reserves and still meet the reserve amount. Comm. Strong said reserves are strong, we have more than we need because of good management by our department heads.

Comm. Hamilton asked where pole attachment money is. Mrs. Johnson said it was in cable reserve, \$110,000. Comm. Hamilton asked if it remained untouched. Mr. Johnson said we'd used to buy expensive piece of equipment recently. Comm. Hamilton said wasn't that something we weren't supposed to use. Mrs. Johnson said the money wasn't to be used unless they came before the Commission to ask for it, as was done with the equipment purchase. Comm. Hamilton said she'd always been specific about the pole attachment fee money was to be returned back to our people. Comm. Browning said he'd have to see where she'd said that. Comm. Hamilton said he wasn't here. Comm. Strong said he doesn't remember that. Comm. Hamilton said it was money that we kept collecting and collecting from cable customer with the promise if we didn't have to use it then it would be returned to them somehow. She said basically like a month's free cable. Mrs. Johnson said she also thought it could be used to upgrade the cable.

Mrs. Johnson said amount we need to keep in reserves is \$814,000, for the general fund, streets and stormwater for General Fund alone the amount needed in reserves is \$722,000.

Mayor Arnold said we are short \$99,500 add raises \$24,000 for 1% total \$123,500 raise millage ½% then take out \$27,000 out of reserves still short \$2,500 we can tweak other figures to get that. Mrs. Johnson said didn't know if we are looking at merit or COLA raises, she would like for the Commission to make the raise merit instead of COLA, we have 4% between steps however we could make 1% between steps, we would have more steps. She said employees that have worked for the city for four years and when a new person is hired in they make the same as a person who has been here four years. Mrs. Johnson said it makes that four year employee feel as if they aren't worth anything to the city. Mrs. Johnson said everyone gets COLA, Comm. Hamilton said the job remained the same so the pay is the same. Mrs. Johnson said knowledge should be worth something, if you give 1% in step increase than at least a person that has been here longer would make a little more than a new hire. Mr. Valandingham said it is better to pay for performance. Mayor Arnold said keep system as 1% increase for department heads to hand out as they see fit. Mrs. Johnson said we could do away with step plan completely. Mayor Arnold said need to have some organization, Mr. Valandingham said 4% between steps now he encourages a hybrid. Chief Hart said sometimes when you give such a small amount as 1% the person goes up a tax bracket and actually brings home less money, it is a treacherous slope with miniscule amount. Comm. Morgan said department heads could do with it however they want. Mrs. Johnson said to do that would be difficult, we would need to redo the handbook. Comm. Morgan said 1% be allowed for quarterly incentive pay to be distributed by department heads. Comm. Hamilton said we just need to hold the 1% for raises in the budget. Mayor Arnold said \$24,000 for pay increases. Mayor Arnold said \$99,500 if we add \$24,000 we go up to \$123,500 ½ mil increase, short \$29,500 take \$27,000 out of reserves decrease some of the other line items to cover \$2,500. Mrs. Johnson noted that \$24,550 is a 1.5% pay increase in the General Fund. He said we could decrease fire truck to \$75,000, Comm. Morgan okay with that, and decrease Doolittle down to \$9,500 to make up the other \$500. Mayor Arnold said this is a ½ mill increase 1.5% pay increase and \$27k from reserve.

### **STORMWATER**

Mrs. Johnson said stormwater has a couple of items under capital expenses. Mr. Valandingham the \$200,000 expense is \$185,000. He said the street sweeper could be reduced from \$10,000 to \$8,000.

### **STREETS**

Mr. Valandingham said the street sweeper amount has gone from \$40,000 to \$32,000 that is split between stormwater and streets. Comm. Morgan said our Visioning Committee survey showed that residents are concerned with police, fire and street along with water sewer services. He said streets are a high priority in our citizen's mind. Comm. Strong said we could take money out of reserves or raise millage to cover. Mr. Valandingham said the street resurface money to set aside that amount won't get a street done. Comm. Morgan said the asphalt roller

Storm-  
water

Streets

and trailer is a onetime payment, it is needed by the city and since it's a onetime payment could take money from General Fund Reserve without increasing millage. Mayor Arnold said we are already taking money out of reserves. Mr. Valandingham said the \$50,000 going to reserve is toward the Ohio Avenue project. Comm. Morgan said that is an intersection that has been identified since 1996. Mr. Valandingham said the street sweeper from \$40,000 to \$32,000 based on a lease of 2.44% with Ingram equipment. Mrs. Johnson said short \$80,550. Comm. Morgan said one solution benefit to general public we either do now through reserves or raise millage. Comm. Morgan recommends look at capital expenses this is a benefit of public so take money out of General Fund reserves. Mr. Valandingham said his intention is to put the \$50,000 in reserves for a project to be completed at a later date, the amount came from him, he didn't seek engineering advice just worked out estimation. Mrs. Johnson said the \$76,000 that shows in streets reserves doesn't reflect a payment of \$41,000 that we have paid to our engineer company for work that was completed recently, so \$76,000 is not a true amount of reserves for streets.

**UTILITY FUND**

Comm. Strong said any raises could be taken out of reserves. Comm. Strong said as far as capital items we will look into grants and other options.

**COMMUNICATIONS**

Comm. Strong said any raises would come out of reserves.

**SANITATION**

Mrs. Johnson said this fund is a positive \$3,000 before a wage increase. Mrs. Johnson said we can use carry forward. Comm. Morgan asked when we would be recycling glass. Mr. Valandingham said when we can find someone to take it, recycling money has slowed down because the market has gone down. Comm. Strong agreed to use carry forward.

Mayor Arnold said a revised copy of the budget will be given to the Commission, get all of our ducks in a row for first public hearing September 9<sup>th</sup> at 6 PM. Mayor Arnold thanked everyone for their diligence.

**ADJOURN**

There being no further business to be brought before the Commission, the meeting adjourned at approximately 7:30 PM.

Utility

Communi-  
cations

Sanitation

Adjourn

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John B. Arnold, Jr.  
Mayor

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Heyward H. Strong, Jr.  
Chair, VCA

ATTEST:

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Tammy Johnson, CMC  
City Clerk

August 17, 2015

\*\*\*The DVD labeled August 17, 2015 contains the audio and video of this meeting and will be kept as a permanent part of these minutes.\*\*\*