

SPECIAL FINANCE COMMITTEE MEETING MINUTES

December 14, 2009

Members of Finance Committee present: Ron Stake, Mel Clemens, Fred Deskins, Jr., Leslie Kelly.

Other members of Council present: Doug Joseph, Barth R. Cotner, Council President William L. Hills. Councilwoman Donna Shirey was absent.

Mr. Stake: I'll call to order the Special Finance Committee Meeting at 6:30 p.m. Item 2 is approval of the agenda. We have one item on the agenda at this time. Any additions to the agenda? Then we'll move on to Item No. 3.

Item No. 3 - 2010 Appropriation- -on 10-19-09 item held two weeks; on 11-2-09 item discussed and held until 11-9-09 special Finance Committee meeting; held until 11-16-09 Finance Committee meeting; held until special Finance Committee meeting set for 11-23-09. On 11-23-09 item held until 12-7-09 Finance Committee meeting; *on 12-7-09 item held until special Finance Committee meeting set for 12-14-09.* This was held since October 19 as the Mayor worked out the Budget here. He did submit some information to us over the weekend. Some department budget information and Mayor, if you want to go ahead and go over that, let everybody know how you came to a balanced budget here.

Mayor McCloud: Thank you, Chairman Stake. Obviously, the revenues I rely on are the figures from the City Auditor. Some of the bigger things, I pulled out a salary position out of the Building Department, as well as the Computer Department. Those two totaled about \$150,000 alone, and I don't want to speak for the City Auditor, but there's always a percentage of the total enforcement wages from the Police Department that the City Auditor, based upon the past projections, into the future, in terms of those, to account for those folks that get called out to Military duty, or for whatever reason the department is not at full strength, it has been, Mr. Harris, correct me if I'm stepping on your bailiwick here, but historically, I believe that figure runs about 96% to 97%...

Mr. Harris: About 97% of the total and that's a, if you remember earlier this month when we transferred some money for the Police Department, that was one of the places, even with the 97%, we still had extra money to take out. We currently have two people on Military leave in the Police Department. I would suspect with the President's announcement that there's going to be a bigger presence in Afghanistan, that we'll probably see more. When those people are not working for us, they generally make more money in the Military than what they make with us so we have nothing coming out of that account. The Enforcement Account, it does create a situation for the Chief where he has to spend some additional overtime but that a, the savings on that was about \$120,000 - \$125,000.

Also, the City Engineer, we will be charging directly into the Utilities for work done by the City Engineer. We figure on what he did this year, that will be probably about 80% of his salary was spent in Street, Water, Waste Water, Storm Water, so we're going to be charging that directly into

those accounts, so that made a difference of about \$60,000 or \$80,000. So between all those, we, and with what the Mayor had cut, I think we got down to the point where we are in the black for this budget. If there's any additional questions that I can answer, I'll certainly be glad to, and if the Mayor wants to add any additional information, he certainly is welcome to do so, as well.

Mr. Stake: Mayor, do you want to add anything on that?

Mayor McCloud: No.

Mr. Stake: No? Okay. Are there any questions for the Mayor or the Auditor from members of the Finance Committee, members of Council?

President Hills: One question.

Mr. Stake: President Hills.

Mr. Hills: And Dick this is of you, because I know you talked about the Engineering Department. Now those, that salary has not been spread yet, correct?

Mr. Harris: If you look on the cover sheet, the engineering payroll's down to \$29,000. What we did is, we estimated how much we would be moving out based on the figures that the Engineer gave me for what he had done this year so that at least we had something to base it on but it will be, he will be, when he turns in his time sheets next year, he will have them broken down into the a, as to which utilities they are. If you look at....

Mr. Hills: It's on the ordinance, the cover sheet being the ordinance.

Mr. Harris: It should be on both, Bill.

Mr. Hills: Okay, it is on, those two sheets we just got handed to us tonight.

Mr. Harris: Yeah.

Mr. Hills: Because I know it wasn't here where we tabbed the others with changes, but so, then the Engineering and the backup sheets and the summary sheets for the backup sheets isn't matching the front sheets.

Mr. Harris: Probably not because those were just made very late.

Mr. Stake: Any other questions? I guess one of the largest places that was, had some savings, was in the Police Department. Was that all from, that all from people being overseas and that kind of

stuff, positions not being filled?

Mr. Harris: About 99% of it was, yeah. I think there was a couple of small things that they cut a little bit out of, but that was certainly the lion's share of it was that and that's around a \$130,000 - \$140,000 for just that.

Mr. Stake: Okay.

Mr. Harris: A, 4% of \$4,000,000, I mean.

Mr. Stake: And the budget request for the Police Department's going to be less than it was last year.

Mr. Harris: Um-hum.

Mr. Stake: Okay, the Computer Department, I know we just talked about the Engineering. The Computer Department, what's going on there?

Mayor McCloud: We currently have one employee at an Interim Director level. We are, we have hired an outside vendor to do an assessment of our needs, both in terms of equipment and personnel and at the conclusion of that assessment, we'll be moving forward in some direction. I'm not sure I picture having two in-house employees in the future.

Mr. Stake: So you have an outside vendor now doing an assessment?

Mayor McCloud: Yes.

Mr. Stake: Okay, that kind of surprises me, because I think in 2008 you paid an outside vendor about \$8,500 to assess the IT Department. I guess you didn't like what that one told you, that's why you have another one now, or?

Mayor McCloud: I didn't find it very useful.

Mr. Stake: You didn't find it useful? So you, are you planning to out-source the Computer Department?

Mayor McCloud: I'm leaning toward it. We find that it makes sense.

Mr. Stake: Okay and how are you going to budget for that? I mean, is that coming out of what's showing in the Computer Department budget at this time?

Mayor McCloud: There is a little bit of money in there. I don't know what they're going to come back with so I don't know. I wish my crystal ball was working, but it's not.

Mr. Stake: Oh, well, I wish I had a crystal ball too.
Building Department, no more Chief Building Inspector?

Mayor McCloud: There'll be one less employee there in the Building Department. The Assistant Building Inspector has an interim certificate so if in fact, the Chief Building Inspector leaves, that position won't be filled.

Mr. Stake: Okay, but you're not funding that position, correct?

Mayor McCloud: That's correct.

Mr. Stake: And I think there was some changes in the Parks and Rec budget too, correct?

Mr. Harris: I got that one Brad. There was a, in my Department and the Parks and Rec Department, we have employees in that department who are, one in my department, one in that department, who are married and they're just switching insurance from Parks and Rec taking the hit for it, to my department taking the hit for it. So it's a wash in that respect.

Mr. Stake: Okay, and then I think I saw there might have been a reduction in General Administration. Am I correct there or not?

Mr. Harris: That would have probably been the insurance.

Mr. Stake: That being the property and casualty insurance reduction? Okay, I think we left off going line by line here at least through the General Fund Budget last time with that Police Budget. I know last time we did have a higher number. We do have a new Police Budget. Does anybody have any questions in regards to the Police Budget? Comments.

Mrs. Kelly: I have a question.

Mr. Stake: Councilman Kelly.

Mrs. Kelly: What would happen if say, six months from now, the gentlemen or ladies who are overseas return and no new folks go overseas. What would we do? And I know that may be far fetched, but it.....

Mayor McCloud: It.....I'm sorry.

Mrs. Kelly: ...is that something that we can kind of, do we know how long they're stationed over there? Is that something that we can plan for?

Mayor McCloud: And again, Dick, don't let me step on your bailiwick here. The projection that the City Auditor uses is based upon the past and these things come and go, but apparently that is a fairly safe number that he is comfortable using, based upon the past.

Mr. Harris: If you, if you look over the last eight or ten years, we have never used 100% of money that's been in there because any time you have a Police Officer leave or you have somebody promoted which creates a new position, you don't just go out and hire somebody. It's not a two week process, it's a several month process and even though they may be paid, you may also, you may have a situation where somebody is a step five and you're replacing them with a step one, which is about a \$15,000 difference. All those go into the fact when you have fifty-two sworn officers, your, I don't, I can't remember the last time we were at full strength so there's generally somebody away either because of the turnover in the department or being in the, or military leave. The two people that are out on military leave now will not be back until after September of next year so they're going to be gone for nine months out of this budget for sure. Now whether they're gone another, a few weeks afterwards, that's, we'll see, but they're going to be gone at least nine months. So you'll basically have nine months of two salaries right there, which we know are not going to be in there plus there are openings in the department right now so it's not anywhere close to full staff right now anyway.

Mr. Stake: How much did you account for in the overtime budget to take care of these things because I know that we're very lightly staffed anyways for the size of our city.

Mr. Harris: The overtime, the Chief and the Mayor worked out the overtime number, but certainly within those 100 Accounts, there will still be some money avail.. and around because we don't always pull out all the money for the pension that we pay, the PERS that we pay, and those kind of things when those people are gone so that's a little extra built in, in case there is a problem in that, but even this year, the only thing, when we took \$100,000 out, a lot of, some of what went back into that was from that Enforcement Account, even at 97% that we planned it last year, they still didn't use it all.

Mr. Stake: Okay, do we have any cruisers in this Police Budget?

Mayor McCloud: No.

Mr. Stake: Are you planning on purchasing any in another way? I know last year, it was probably a grant or something.

Mayor McCloud: I would love to come across that same grant. I am not aware of any grant funding opportunities at this time.

Mr. Stake: Okay. Any other questions from Finance Committee members or members of Council on the Police Budget? President Hills.

Mr. Hills: Mr. Stake, just, and I, I guess this will raise a question just as much as anywhere else. Last year was a grant. I don't know if grant dollars are available, but I do know that vehicles not purchased, Police vehicles not purchased or approved by Council for purchase, can be purchased out of the Seizure and Forfeiture Fund, one of the funds there are funds in today. I'm not so sure the Police like to do that, but they have the legal authority to do that, so if we need three vehicles, there is money over there in a fund that they could expend on vehicles. Mayor, I'm not incorrect in that statement, am I?

Mayor McCloud: Well, the City Attorney certainly has rendered that opinion. The folks that, who handle those kind of things, I think it's from the US Attorney's Office, say differently, so I'm not sure how to quite resolve that one. Our Chief is reticent to that based upon the advice he's gotten from the US Attorney's Office. We do have Mr. Hood's opinion, so I'm not sure exactly how that's going to play out.

Mr. Stake: Any other questions on the Police Department Budget?

Human Resources would be next. Any questions on that? I don't think, we got one Director and a half of a Secretary, I guess, in there with some other incidental expenses. Any questions in regards to that from members of Finance, members of Council?

Civil Service. Looks like their budget request is going to be a little bit less than last year. How does that happen? Anybody know how that, I don't know what their expenses are to date. Anybody, nobody.

Mayor McCloud: She indicated that's how much money she needed to run her department.

Mr. Stake: Okay. Public Health. Questions on Public Health anybody? General Administration. I noticed in here that a, just looking at that, the top there, I noticed in here that we had a significant increase in our Workman's Compensation premiums?

Mayor McCloud: Yes.

Mr. Stake: And I guess that's due to claims?

Mayor McCloud: Yes.

Mr. Stake: I know that overall, for public entities, the Worker's Compensation premiums were supposed to go down.

Mayor McCloud: I wish ours did.

Mr. Stake: Okay. That is a significant increase right there. Any questions, any other questions or comments on General Administration?

Mechanic. Any questions, comments from members of Finance or members of Council on the Mechanic Budget? That would conclude our General Fund budget items. There are some other Enterprise Funds here, but unless anybody wants to get into those specifically with any questions, I guess we can save those for the regular Finance Committee Meeting. If anybody has any questions, or if they would like to ask them tonight? Until they have an opportunity to look those over? I know most of us have been interested in taking a close look at the General Fund Budget, but on paper here today, we've got \$12,821,931 in estimated revenue and \$12,784,130 in estimated expenses. Mr. Harris, could you, for the next meeting get us a, oh, he's not in here is he, okay. Well, we'll just put in the record, and I'll let him know, that we could get a breakdown of the revenue sources that make up this \$12,821,931. Mr. Harris...

Mr. Harris: Sir.

Mr. Stake: For the next Committee Meeting, could you provide us a breakdown of the revenue sources for the \$12,821,931?

Mr. Harris: No problem, got it.

Mr. Stake: Thank you. Okay, here's your chance everybody, talk about the budget. Any other questions or comments, concerns from anybody? Well, if there are none, then I'll conclude the Special Finance Committee Meeting at 6:50 p.m.

Special Finance Committee

---Nancy C. Frazier, Clerk of Council

December 14, 2009

(Transcribed/S. Cochran, Ass't. Clerk of Council)