

MINUTES
BUDGET WORK SESSION MEETING
OF THE PERRY CITY COUNCIL
JUNE 11, 2009

1. Call to Order: Mayor James Worrall, Presiding Officer called to order budget work session meeting held June 11, 2009 at 5:00 p.m.

2. Roll:

Elected Officials Present: Mayor James Worrall, Presiding. Mayor Pro-Tempore Riley Hunt. Council Member Charles Lewis, Joe Kusar, James Moore and Willie King.

Elected Officials Absent: Council Member Phyllis Bynum-Grace.

Staff Present: City Manager Lee Gilmour.

City Departmental Staffing: *Brenda King - Director of Administration, Capt. Bill Phelps – Police Department and Recording Secretary Annie Warren.

*Ms. King arrived at 5:10 p.m.

Guests: Mr. Penrose Wolf – Perry Housing Authority, Mr. Bob Hubbard – DDA, Mr. Davis Cosey – DDA, Ms. Terry Moody Walker and Mr. Randall Walker.

Press: Ms. Natasha Smith – Macon Telegraph.

3. Review of FY 10 Budget: City Manager Lee Gilmour provided to Council a handout based on their discussions at the June 8, 2009 budget work session of recommendations to avoid the half mill increase. The amount required is \$267,700.00. The recommendations are:

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| ▪ Remove merit increase for FY 10 | \$ 52,600 |
| ▪ Transfer MGAG profit from Gas Fund | 109,700 |
| ▪ Cease ADVANCED program | 75,900 |
| ▪ Reduce School Resource Officer program to one officer | 29,500 |

City Manager Lee Gilmour advised if Council approves these changes this would eliminate the need to increase the millage in the General Fund. The programs could continue if the school board funds 100% of the costs. The school board currently pays nothing for the ADVANCE program the City funds 100%; the school board pays approximately 50% for the school resource officer. Council Member Joe Kusar asked what happens to the school resource officer. City Manager Lee Gilmour advised there would be two (2) less full-time positions for police. Mayor Pro-Tempore Riley Hunt asked what if the school wants to

continue the school resource officers, would they reimburse the City or would the school be responsible. City Manager Lee Gilmour advised if the school agrees to pay the full cost of the program then the school resource officers would continue on as City employees. If the school board has to pay 100% of the costs, they may want to have it contractual or a school employee; historically, the school board has stayed away from this. Council Member James Moore asked Captain Bill Phelps what effect it would have at the schools if these two positions are eliminated. Captain Phelps advised Council that officers on the road would have to go to the school when a problem arosed. Council Member Joe Kusar asked City Manager Lee Gilmour to explain the ADVANCE program. City Manager Lee Gilmour advised it is the current version of the DARE program where they go and talk to third graders and fifth graders. Council Member Joe Kusar asked what percentage of the officer time is spent on this program. Captain Phelps advised that the officers spend a couple of days a week at each school teaching the ADVANCE program; City Manager advised approximately 75% - 80% a year. Mayor Pro-Tempore Riley Hunt asked if the only time the officer would be able to police on the road in the City would be summer time. City Manager Lee Gilmour stated yes. Captain Phelps advised Council that we have one (1) officer working during peak hours to help in the problem areas; we are one (1) man short, we assigned him to the dayshift to make that shift up in staffing; and assigned the other officer to accreditation. Mayor Pro-Tempore Riley Hunt stated that in essence we eliminated two (2) positions so it would be up to the school board if they wanted the third officer. City Manager Lee Gilmour advised no, under the proposal the arrangement remains in place for one school resource officer that the school board contributes for. The school board wanted two resource officers they would have to pick up 100% of the cost for that officer; if they wanted to continue the ADVANCED program they would have to pick up 100% of the cost. City Manager Lee Gilmour advised Council that the balance in the Restricted Downtown Development Account was \$281,746.58 as of June 10, 2009. City Manager Lee Gilmour advised the Council of the change in the employee participation for the City's health insurance program. The first part reflects the cost of employee portion and the City's portion for FY 08 actual, FY 09 original; FY 09 projected and FY 10 recommended. The employee percentage is projected to go from 23.95% to 28.50% with the City picking up the difference. City Manager Lee Gilmour provided Council with a water/sewer comparison for the major categories for FY 09 original and FY 10 recommended. City Manager Lee Gilmour advised Council that since there was such an increase in the sewer operational, a comparison was given to show where the cost was going up. One major cost is the wastewater treatment - the primary cause is insurance and water treatment. The other major cost is collection/distribution - the primary cause is cost of supplies and materials. Mayor Pro-Tempore Riley Hunt stated that we have over one hundred fire hydrants in need of repair. City Manager Lee Gilmour advised Council that there are no hydrants that are not functioning that he is aware of; the one hundred two hydrants includes hydrants that need painting, to be raised, putting in blue reflectors, etc. Council Member Joe Kusar asked the City Manager how much the one (1) percent is of the payroll. City Manager Lee Gilmour

advised \$52,600.00. Council Member Joe Kusar advised that he thought every employee did not receive a merit increase unless they did training. City Manager Lee Gilmour advised Council Member Joe Kusar that what he is referring to is the career track; every employee receives a merit increase if they are performing satisfactory. If the employee is not performing satisfactory, the employee does not receive the merit increase. Council Member Joe Kusar stated that the City provided the employees with a four and half percent increase last year and inflation was severe. The cost of living has gone up two (2) percent this year. City Manager Lee Gilmour advised that he does not agree with it. The Council is going to have to raise the millage rate to pay for the new fire station. The extent of raising the millage rate is going to depend on the digest growth and expenditure factors involved. City Manager Lee Gilmour advised Council that the City is requesting employees to pay more for health insurance costs and there is no cost of living adjustment or merit increase. City Manager Lee Gilmour stated his position as manager is that he does not believe one position translates into a position that all employees have to subsidize. Council Member Joe Kusar stated that when we are ready to increase services a millage increase would be justified. Council Member Willie King advised if we decrease services our constituents will call; we want to maintain. Mayor Pro-Tempore Riley Hunt advised that when we said we did not want to increase the millage, we cut school programs in two places. City Manager Lee Gilmour stated based on discussion the digest is not going to increase. Council Member Joe Kusar stated there may be some increase. Mayor Pro-Tempore Riley Hunt asked how much did he anticipate. City Manager Lee Gilmour advised a projection of two (2) percent which equates to \$98,000.00. Council Member Joe Kusar asked Mayor Worrall if there was a year the City spent less than budgeted. Mayor Worrall advised yes but minimum. Council Member Joe Kusar asked about the confiscated funds the police department has. The question was asked if we can use the confiscated funds to purchase police cars. We have been on a lease program. Council Member Joe Kusar asked if we could purchase the vehicles. City Manager Lee advised that we cannot spend the money on things already budgeted. Council Member Joe Kusar stated we could save money on interest rates. City Manager Lee Gilmour advised that we won't see it for two or three years. We already have debt service obligations for prior years. City Manager Lee Gilmour advised when we purchase vehicles it has no impact on the millage because it is funded from borrowed money on lease purchases. Council Member Joe Kusar asked if we didn't borrow money for eight vehicles, only borrow for six vehicles, could we pay for two vehicles out of the confiscated funds. City Manager Lee Gilmour advised that he is not sure this can legally be done because Council has already approved and processed this fiscal year for purchase of the cars. Council Member Joe Kusar stated that he had a concern about the trends recently with large contracts. We seem to be frequently firing engineers/contractors i.e. water meters, sewage treatment plant and Courtney Hodges grant. How well are these bidders qualified? Council Member Joe Kusar stated that we have to get a different mindset on our spending. Council Member Joe Kusar shared with Council information relative to Class One Railroads having put 5,000 locomotives in storage. Council Member James Moore asked Captain

Phelps if the six (6) cars requested have to be equipped with police interceptors. Captain Phelps replied yes. City Manager Lee Gilmour stated this still have a cover for contingency \$283,000.00. City Manager Lee Gilmour asked Council if they wanted to reduce this to keep these employees on. Council Member Joe Kusar asked what would be the next thing to cut in the budget if the year changed. City Manager Lee Gilmour advised going back to the information he provided to Council and look at programming, which would get back into recreation. We may be able to make some personnel reductions in other departments. Depending on the amount of money we would go into recreation. Council Member Willie King stated that if we go into recreation, which is something that draws people to our community, we start to cut down the way of life and start losing people. We have talked about the one (1) mill and people may get upset, but we have to do what we have to do. Council Member James Moore asked why in the building inspections we are seeing an increase in the recommended amount over the requested amount with less building going on. City Manager Lee Gilmour stated primary the increase in benefits cost, i.e. health insurance and pension. If Council feels it is an appropriate policy, you could shift over and keep one (1) of the school resource officers and let one (1) of personnel go in Community Development for inspections and when not doing inspections, could do code enforcement. City Manager Lee Gilmour advised we only have two (2) building inspectors. If one (1) of the inspectors is out then you only have one (1) inspector. In as much of a worthwhile program ADVANCE is, the ADVANCE program does not have as much of an impact on the citizens of Perry as other departments or organizations, so if a reduction needs to be made that is why it is recommended. Relative the school resource officer, if you let one of the positions go, it will have an impact on patrol. Council Member Joe Kusar asked about the classification of the gang officer. City Manager Lee Gilmour stated the position is part of investigations. Mayor Pro-Tempore Riley Hunt asked City Manager Lee Gilmour if this is the best we can do. City Manager Lee Gilmour stated yes based on the criteria discussed. Mayor Pro-Tempore Riley Hunt asked when do we vote on this? City Manager Lee Gilmour advised Tuesday. City Manager Lee Gilmour advised Council that notices were sent out to outside agencies for their input if desire at Tuesday's Council meeting. Council Member Joe Kusar asked about the discretionary part of the Hotel/Motel tax, what will be available for DDA and the Perry-Houston Airport. City Manager Lee Gilmour advised if Council feels the funding needs in the General Fund are more important than outside economic functions, than Council has a right to cut back on these functions as well. City Manager Lee Gilmour advised Council the only portion of the Hotel/Motel tax required to be paid is 60% to the Perry Area Convention and Visitors Bureau. In addition to the funding provided to the other agencies, we have a contractual agreement. However, the contractual agreement, between the City of Perry and the Houston County Board of Commissioners for the Perry-Houston County Airport is a 50/50 split. Council could ask the Perry-Houston County Airport Authority to take a cut or ask the Houston County Board of Commissioners to cover the City. City Manager Lee Gilmour this would be unlikely this fiscal year. Mayor Pro-Tempore Riley Hunt asked where GO FISH fits in. City Manager Lee

Gilmour advised no where; if Council decides to proceed with it then the funding mechanism would be to increase the Hotel/Motel tax one (1) percent. Mayor Pro-Tempore Riley Hunt asked if the one (1) percent would be enough to cover the debt, City Manager Lee Gilmour advised yes. Council Member James Moore asked about the initial document signed to support GO FISH. City Manager Lee Gilmour stated the amount was \$500,000.00; there was no formal binding agreement. Council Member Willie King asked the City Manager what Council needed to do to move forward; just agree? City Manager Lee Gilmour advised yes. City Manager Lee Gilmour also advised Council that they could come back and reduce everyone by one (1) percent, reduce the amount for contingency or take money from the Hotel/Motel tax. City Manager Lee Gilmour advised Council this underlines when groups come asking for funding. Council concurred with the recommendations.

4. Other items as needed: Mayor Worrall asked if anyone had anything they wanted to share.

Mr. Davis Cosey commented on the Hotel/Motel tax and use of the money. Mr. Cosey advised the Council that when he was the treasurer of the Perry Area Convention and Visitors Bureau Authority the division of the money was 66/33 percent; now the division is 40/60 percent. When 6.6% went from the budget to the City it was the understanding to use for promotion of the downtown area. The reason we are having trouble with the PACVB promoting the downtown is because you can't take tax money to fund downtown merchants; promotions have to be done with contractual funds.

Mr. Penrose Wolf asked if a public hearing will be held for the FY 10 fiscal budget at next Tuesday's Council meeting. City Manager Lee Gilmour advised the Council is scheduled to adopt the budget. Mr. Wolf asked if the public hearing for the FY 10 budget was publicly advertised in the newspaper. City Manager Lee Gilmour advised it was published in the newspaper on May 23, 2009.

Ms. Terry Moody Walker – No.

Mr. Randall Walker – No.

Mr. Bob Hubbard – No.

Mr. Davis Cosey advised that when he was speaking of promoting the downtown area, he was speaking promoting it in the vain of advertisement or internet.

City Manager Lee Gilmour advised the Council the budget ordinance will be written up relative to what Council has indicated to be done.

5. Adjournment: There being no further matters to come before the Council at the June 11, 2009 meeting, Mayor Worrall adjourned the meeting at 6:00 p.m.