

MINUTES
BUDGET WORK SESSION MEETING
OF THE PERRY CITY COUNCIL
JUNE 8, 2009

1. Call to Order: Mayor James Worrall, Presiding Officer called to order the called budget work session meeting held June 8, 2009 at 5:00 p.m.

2. Roll:

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

* Arrived at 5:15 p.m.

Elected Officials Absent: None.

Staff: City Manager Lee Gilmour. City Departmental Staffing: Director of Administration Brenda King, Department of Public Safety Captain Bill Phelps and Recording Secretary Joni Ary.

Guests: Mr. Penrose Wolf – Perry Housing Authority, Mr. and Mrs. Randall Walker.

Press: Charlotte Perkins – Houston Home Journal.

3. FY 2010 Budget Overview.

City Manager Lee Gilmour reviewed with Council the summary of the recommended FY 10 budget:

- No additional part time, seasonal or full time positions are recommended.
- A listing of the major non-property tax General Fund revenue sources that have changed between FY 08 and FY 10.
- A listing of the cost centers eligible for property tax funding and what is recommended in the FY 10 budget.
- Recommendations for expenditures reductions if the millage increase is not made.
- Recommendations for other adjustments if the millage rate increase is not made.

- Break out of monthly cost increase for average Perry home if all recommended increase enacted.

City Manager Lee Gilmour stated that the recommendation has no pay plan adjustments. All salaries/wages remain at the same rate as end of FY 09. The health insurance participate contribution will increase by 18.14% for single coverage and 15.26% for family coverage. All wireless agreements have been renegotiated for a lower rate, all travel, educational training and meeting costs have been reduced by 25%. The major factor in recommending an increase in the millage rate is the upcoming addition of the second fire station. The millage increase would be phased in over the next three fiscal years rather than a substantial millage rate increase. Council Member Joe Kusar asked about the grant for the fire station. City Manager Lee Gilmour stated that the City is waiting to hear back about the grant. Council Member Joe Kusar stated that he is against increasing the millage rate. Council Member Phyllis Bynum-Grace agreed and suggested eliminating the 1% merit increase. City Manager Lee Gilmour stated that alternatives to not increasing the millage rate would be to make expenditure cuts. Some of the alternatives are as follows:

- o Transfer MGAG payment for the Gas System Revenue Fund to the General Fund.
- o Eliminate one (1) percent merit increase.
- o The water and sewer rates would need to be adjusted as follows:

Water/Sewer	\$ 4.83
Solid Waste	\$.50
- o The gas customers will have a \$3.00 monthly increase.

Council Member Joe Kusar asked about if the water billing issues have been resolved. City Manager Lee Gilmour stated that the billing issues are being resolved. Mayor Pro-Tempore Riley Hunt asked if the “Go Fish” project has been factored into the FY 10 Budget. Council Member James Moore asked if the increase in the water and sewer rates is to pay for the operating costs. City Manager Lee Gilmour stated that the water and sewer fund has been behind for a number of years and Council decided to increase the rates over a period of time. Council Member Joe Kusar asked if the new metering system had any factor in the increase in rates. City Manager Lee Gilmour stated that it did not. City Manager Lee Gilmour stated that it is not in the budget. Mayor James Worrall asked if anyone has heard about the stimulus money the City is suppose to receive for police and fire. Department of Public Safety Captain Bill Phelps stated that he has not heard anything about the stimulus money. Council Member Joe Kusar recommended eliminating the 1% merit increase and/or cutting salaries by 3%, alternatives would be to look at the other cost centers items to look at not funding services. City Manager Lee Gilmour reviewed with Council a summary of cost centers that would not be funded if Council recommends no millage increase. The cost centers are as follows: School Program, ADVANCED, School Crossing Guards, Athlete Operations, Youth Football, Youth Basketball, Youth Spring

Soccer, Youth Baseball, Youth Cheerleading, Youth Fall Baseball and Youth Fall Soccer. City Manager Lee Gilmour stated that if Council decides not to increase the millage rate the Administration recommendation would be; (1) eliminate the 1% merit increase, (2) transfer MGAG payment and (3) eliminate funding the School Program, ADVANCED and School Crossing Guards. City Manger Lee Gilmour stated that if Council concurs to schedule another work session meeting to discuss alternatives to increasing the millage rate. All members concurred to hold another work session meeting on Thursday, June 11, 2009.

4. Adjourn. There being no further business to come before Council, Mayor James Worrall adjourned the meeting at 6:20 p.m.