

MINUTES

Special Meeting: Budget Session
George W. Clay, Jr. Utility Operations Center

May 10, 2007
Thursday, 11:00 a.m.

Present: Mayor W. Ted Alexander, presiding; Council Members Christopher H. (Chris) Mabry, Robert H. (Bob) Still, Jeanette D. Patterson, Michael R. (Mike) Royster, Joel R. Shores, Jr., Dicky Amaya; City Manager Rick Howell, City Clerk Bernadette A. Parduski, Director of Finance Theodore B. (Ted) Phillips, CPA, Director of Human Resources Charles L. Webber, Police Chief Tandy P. Carter, Fire Chief William P. Hunt, Director of Public Works Daniel C. (Danny) Darst, Director of Parks and Recreation Charlie Holtzclaw, Director of Housing Bryan T. Howell, Director of Development Services Brian L. Pruett, Director of Planning Services Walter (Walt) Scharer, AICP; and media representatives

Absent: City Attorney Sam B. Craig
Director of Utilities Brad R. Cornwell, PLS, EI

Mayor Alexander reconvened the meeting at 11:03 a.m. The Mayor gave the invocation and Mr. Howell led the *Pledge of Allegiance*.

Mayor Alexander extended an invitation from Chief Tandy Carter to attend the Christian Police Officers Memorial Service on Thursday, May 17, 2007, at 11:00 a.m. to be held outdoors near the west end of City Hall's Council Chamber.

Mayor Alexander then requested Council to reconsider their decision to reduce the City's funding to the Cleveland County Chamber by \$30,000. The Mayor proposed forming a committee of Council members Mike Royster, Chris Mabry, and Joel Shores to explore the concerns and issues raised at the budget session of May 8, 2007. He offered to participate with the committee, and as the City's Cleveland 20/20 representative, to arrange discussions with the County and Chamber representatives in an effort to communicate the City's expectations with regard to the Chamber's economic development efforts on its behalf. Council members, by general consensus, were comfortable with the previous decision because it is a matter of the annual budget process review and economics. Mr. Howell confirmed that the \$30,000 has been removed from the two new budget options he has prepared and Council expressed their desire to proceed with Mr. Howell's presentation.

Next Mayor Alexander requested specific action from Council regarding the performance pay plan which has been discussed during these budget

sessions. Mrs. Patterson requested the amount allocated for a 2.5 percent performance pay plan and Mr. Howell estimated the cost at \$240,000.

ACTION TAKEN: Upon a motion by Mr. Royster, second by Mr. Amaya, City Council voted 5 to 1 (Patterson) to fund the 2.5 percent performance pay plan for City employees as recommended by the City Manager.

PRESENTATION OF THE CITY MANAGER'S PRELIMINARY BUDGET RECOMMENDATIONS:

Mr. Howell highlighted two new budget recommendations as follows:

Request No. 1:

Revenue assumptions:

- .015 cent tax rate increase from .42 to .435 cents
- .50 cent per month increase on solid waste collection fee from \$4.95 to \$5.45

Expenditures assumptions:

- 2.5 percent performance pay allocation
- Renewal of current health insurance plan with PPO/HSA option at 5.5 percent increase
- One new police officer position, increase in overtime budget, and an increase in drug buy budget
- One new code enforcement officer position in Planning Services Department
- Increase funding for contracted services for demolition of condemned residential structures
- Shifting one position from Powell Bill Fund to General Fund
- \$30,000 reduction in funding to Cleveland County Chamber

Request No. 2:

Revenue assumptions:

- .0175 cent tax rate increase from .42 to .4375 cents
- .75 cent per month increase on solid waste collection fee from \$4.95 to \$5.70

Expenditures assumptions:

- 2.5 percent performance pay allocation

- **Renewal of current health insurance plan with PPO/HSA option at 5.5 percent increase**
- **Two new police officer positions, increase in overtime budget, and an increase in drug buy budget**
- **One new code enforcement officer position in Planning Services Department**
- **Part-time Safety Officer/Risk Manager position in Human Resources Department**
- **Increase funding for contracted services for demolition of condemned residential structures**
- **Shifting one position from Powell Bill Fund to General Fund**
- **\$30,000 reduction in funding to Cleveland County Chamber**

Council members offered the following comments regarding the two proposals under consideration:

Mr. Shores – Mr. Shores expressed his concerns regarding a tax increase, utility and solid waste rate increases, and personnel costs and reluctantly favored the .015 cent tax rate increase with the .50 cent solid waste fee increase option as proposed.

Mr. Amaya – Mr. Amaya stated that he would favor the option that had the consensus of Council.

Mr. Royster – Mr. Royster favored the .015 cent tax rate increase with the .50 cent solid waste fee increase option with reservations.

Mr. Still – Mr. Still stated that personnel costs are still his concern and favored the .015 cent tax rate increase with the .50 cent solid waste fee increase option as proposed.

Mrs. Patterson – Mrs. Patterson stated she is against any tax rate increase and did not favor either budget option for that reason. She accepted the .50 cent solid waste fee increase as proposed.

Given the current economic situation and fully appreciating the difficult choices to be decided in adopting this budget, Mr. Howell urged Council to consider future public discussions with staff to examine, prioritize, and set the level of services the City wishes to provide to its citizens “outside the microscope of the budget process”.

Mr. Mabry – Mr. Mabry spoke in support of Mr. Howell’s original budget recommendation and preferred a .02 cent tax rate increase based on the community feedback he has received and the facts presented.

Mayor Alexander – The Mayor expressed his support for Mr. Howell’s

original budget recommendation. Considering the two proposed options now under consideration, Mayor Alexander favored the .0175 cent tax rate increase with the .75 cent solid waste fee increase because it is more reflective of the City's desired level of services.

ACTION TAKEN: Upon a motion by Mr. Still, second by Mr. Amaya, City Council voted 4 to 2 (Patterson, Mabry) to direct the City Manager to draft a proposed budget based on his Request No. 1 (dated May 9, 2007) which includes a .015 cent tax rate increase and a .50 cent solid waste fee increase.

ACTION TAKEN: Upon a motion by Mr. Still, second by Mr. Royster, City Council voted 4 to 2 (Amaya, Mabry) to reduce economic development funding to the Cleveland County Chamber to \$30,000 for FY 2007-2008.

Mayor Alexander returned to the issue of appointing a committee to explore and resolve any communication issues between the City and the Chamber's Cleveland 20/20 representatives. Mr. Howell reminded the Mayor that his committee should have a total of three members and that this committee, regardless of the number of members, is subject to the Open Meetings Law.

As an alternative, Council discussed inviting Chamber representatives to a workshop session along with the possibility of a budget amendment to reinstate funding in the future.

ACTION TAKEN: Upon a motion by Mr. Shores, second by Mrs. Patterson, City Council voted unanimously to invite Cleveland County Chamber and Cleveland 20/20 representatives to a City Council Workshop Session to discuss matters relating to the City's economic development recruitment.

If no further budget issues remained regarding the utility funds, Mr. Howell said he would prepare the City's proposed budget documents and his budget message for Council's review.

ACTION TAKEN: Upon a motion by Mr. Amaya, second by Mr. Shores, City Council voted unanimously to conduct a public hearing with regard to the City's proposed budget for FY 2007-2008 on Monday, June 4, 2007, at 6:00 p.m. in City Hall's Council Chamber.

Mayor Alexander expressed appreciation to Council members, Mr. Howell, and City staff for their respective roles in the budget process.

Adjournment: There being no further business for Council's consideration, Mayor Alexander adjourned the meeting at 12:20 p.m.

Respectfully submitted,

Bernadette A. Parduski
City Clerk

W. Ted Alexander
Mayor

Minutes of May 10, A. D. 2007