

## MINUTES

Special Meeting: Budget Session  
City Hall Council Chamber

May 8, 2008  
Thursday, 12:00 Noon

**Present:** Mayor W. Ted Alexander, presiding; Council Members Christopher H. (Chris) Mabry, Jeanette D. Patterson, Michael R. (Mike) Royster, Andrew L. Hopper, Sr.; City Manager Rick Howell, City Clerk Bernadette A. Parduski, CMC, Director of Finance Theodore B. (Ted) Phillips, CPA, Director of Utilities Brad R. Cornwell, PLS, EI, Assistant Director of Utilities Julie McMurry, Fire Chief William Hunt, Interim Police Chief Jeffrey H. (Jeff) Ledford, Director of Public Works Daniel C. (Danny) Darst, Director of Parks and Recreation Charlie Holtzclaw, Director of Development Services Brian L. Pruett, Director of Planning Services Walter (Walt) Scharer, AICP; and media representatives

**Absent:** Council Members Larry G. Ware and Joel R. Shores, Jr.  
City Attorney Sam B. Craig

Mayor Alexander called the meeting to order at 12:06 p.m. Mrs. Patterson gave the invocation and Mr. Royster led the *Pledge of Allegiance*.

### PRESENTATION OF THE CITY MANAGER'S PRELIMINARY BUDGET SUMMARY:

Mr. Howell prefaced his budget presentation by emphasizing that this is a budget summary of the General Fund for discussion purposes only. He has reviewed the departmental requests and has had numerous discussions with Mr. Phillips. Mr. Howell distributed four documents which included:

- 1) General Fund Budget Summary by Department
- 2) General Fund Budget Summary by Object Line
- 3) General Fund Budget Projection FY 2008-2009 – Breakout by Divisions
- 4) General Fund Budget Projection FY 2008-2009 – Breakout by Object Code

The preliminary draft of the General Fund Budget Summary for fiscal year 2008-2009 included:

- No new positions
- Funding the Performance Review and Development System including a 2 percent market adjustment
- Increased fuel costs of approximately \$150,000
- A 17 percent increase in group health insurance costs – The City's health insurance coverage will now include an optional employee health risk

assessment.

In order to include the items listed above, Mr. Howell stated the City is looking at a \$676,527 or 4.1 percent increase in the total General Fund over last year's adopted budget. A \$332,500 or 2 percent change in revenue was also calculated, however, it leaves the City more than \$300,000 out of balance. Mr. Howell said these figures take into account the current tax rate of 43.5 cents and an increase of \$2.00/month in the trash collection fee.

Mr. Howell reiterated that nothing in the budget has been proposed or recommended at this time and the budget is subject to change; however, minor adjustments will not be enough to balance the budget at this point.

Upon questioning regarding fuel and energy costs, Mr. Howell responded that despite the City using less fuel for department operations with overall fuel consumption down about 2 percent, costs have increased 40.9 percent over last year's budget. The City's department heads have been requested to develop fuel reduction conservation strategies to implement within the different levels of their departments.

Without significant growth, Mr. Howell stated the City has attempted to survive in a local economy which has been struggling for years and he requested Council to consider a candid discussion to establish priorities for City services and programs in this year's budget.

Mr. Hopper concurred and stated that Council does need to set the guidelines concerning the City's budget and give direction to Mr. Howell.

Mr. Royster made a point of discussion that any "significant pain" taken by the City's taxpayers, in return, must be clearly and fully explained in terms of "significant pain" taken by the City.

Mayor Alexander commented that he has observed the City's operations to be lean and efficient. The Mayor voiced his concerns that any further position cuts would result in a loss of City services and it is his desire to see City employees get an increase this year.

Mr. Howell recommended that Council review the line items in the documents provided and set their budget priorities accordingly. Mr. Howell reminded Council that the next budget session is scheduled for Tuesday, May 13, 2008, beginning at 12:00 noon in the same location as advertised.

Adjournment:

- 1) Motion to adjourn

**ACTION TAKEN:** Upon a motion by Mrs. Patterson, second by Mr. Hopper, City Council voted unanimously to adjourn the meeting at 1:27 p.m.

Respectfully submitted,

Bernadette A. Parduski, CMC  
City Clerk

W. Ted Alexander  
Mayor

**Minutes of May 8, A. D. 2008**