

BUDGET, FINANCE AND PERSONNEL COMMITTEE
September 1, 2009
4:40 P.M.

Councilwoman Berz, Chairman, called the meeting of the Budget, Finance, and Personnel Committee to order with Councilpersons Ladd, Benson, Murphy, Scott, Rico, Gilbert, McGary, and Robinson present. City Attorney Michael McMahan and Shirley Crownover, Assistant Clerk to the Council, were also present.

Others present included Daisy Madison, Fredia Kitchen, Simone White, Christy Creel, Hujia Hasimu, Vickie Haley, Randy Ray, Ulystean Oates, Dan Johnson, Chief Cooper, Lee Norris, Mark Keil, Richard Beeland, David Johnson, Chief Parker, Barry Bennett, Paul Page, Danny Thornton, Gary Hilbert, Donna Kelley and Mayor Littlefield.

FY 2010 BUDGET PRESENTATION

Chairman Berz stated that the Council had now received the proposed Budget and that Admin. Madison would make the presentation and next week at 2:00 P.M., we will take the full hour to ask questions.

Mayor Littlefield spoke first, stating that they had been working with this Budget for awhile; that with the Reappraisal process, a new tax rate had to be set, and this was the lowest tax rate we had had since 1958. He noted a limited amount of money, stating this was not a good year to raise taxes and there is “pain”; that everyone is struggling and rather than laying off people and closing fire stations and working without pay, it is better for all to hurt a little and avoid lay-offs and be able to keep services at the same level. He stated that Ms. Madison would take the Council through a power point and any Council persons with questions could come to his office, and the Council could take as long as they liked to review this. He added that it was wonderful to have a numbers man (Dan Johnson) and also Ms. Madison’s staff.

Ms. Madison commended her staff and their capability in putting this Budget together without a negative impact, stating that she would like the Council to meet these people—**Fredia Kitchen, Simone White, Christy Creel, Hujia Hasimu, Vickie Haley, Randy Ray, and Ulystean Oates.** She stated that they had worked timelessly. She also thanked Dan Johnson for looking over their shoulders, jokingly saying that she thought he understood that they could not manufacture money.

She mentioned no tax increase in eight years with revenue being down \$5 and one-half million. She stated holding stable was a challenge. Sales tax are down nearly 10%, locally not as bad as the State. There is a 40% reduction in Licenses and Permits and charges for services are down slightly. We are experiencing ½% to 1 ½% on investments. There were a couple of areas where revenues were increased—a 2% increase in property taxes and Liquor and Beer taxes increased.

Ms. Madison stated that reserves are shrinking, and there was a \$10.7 million dollar hit to the reserves this year, which she thought was good.

As for expenditures, we wanted to make sure while we are reducing costs, we are not reducing quality of service—for this she gave credit to our managers. She stated that our employees and staff had worked really hard, and this is commendable. There will not be an increase for raises and employees are being asked to do more at the same pay in exchange for not having furloughs and layoffs. She noted that most employees are appreciative. She mentioned the brush pick-up on an as-called-for basis. There is some impact on Recreation Centers in re-distribution and reduced hours. There is also a reduction in travel. She mentioned that the work of the Fire and Police Pension Review Committee had paid off dividends—that the DROP Plan was premium based and working against us negatively and was extremely unaffordable. We are funding fewer positions, and this Budget is tight. There is a \$25 increase in City Court costs. Our Actuary has changed assumptions, especially with the General Pension Plan from a 6% to 14% rate.

At this point, Chairman Berz reminded the committee about a 5:00 p.m. meeting on the status of the sewer system. Ms. Madison assured her that she was wrapping up.

She continued, stating that as for liability insurance, the City Attorney's Office was handling this with a small contingency. There is a net decrease in Agency reduction. She mentioned the \$50.00 per pay period for take-home vehicles. She repeated that there will be no layoffs and also a 50% reduction in longevity pay. She mentioned the enhanced medical benefits and stated that we were freezing 93 positions and cutting 6 positions. OPEB funding is limited to a pay-as-you-go basis. This is a \$167,535,000 Budget.

Chairman Berz thanked Ms. Madison for the presentation and asked if there were any questions that would help in deliberation.

Councilman Gilbert asked about the actual collection of bad debts? Ms. Madison noted that this could be in property taxes, business taxes, and fines. She noted that we have an outstanding debt in City Court fines and continue to address this; that we have hired a collection agency but have not pressed this issue.

Councilman Murphy stated that he did send out an e-mail concerning \$9 million dollars in City Court costs, and he thought we needed to look into the potential of meeting with the Judges in light of amnesty or setting up payment schedules; that if we only collected 10% it would be almost a million dollars; that we do have automobile boots that we can use; that he would say we should leave no stone unturned.

Councilman McGary commended Administration on their hard work. He noted that a pie chart had been handed out and asked if it were still the same. Ms. Madison responded that they had spent most of the time in the General Fund—that some is not discretionary. Councilman McGary wanted to know how reliable the former document was and if it were still useful? Ms. Madison explained that the dollars will change, but it is still useful is distinguishing between discretionary and non-discretionary.

Councilwoman Robinson stated that she would be interested in knowing if CareHere is saving the City money on insurance? Ms. Madison responded that it definitely is.

Chairman Berz noted that other methods to lower cost could be brought to the Council and asked if there was anything else before the meeting adjourned.

The meeting adjourned at 5:15 P.M.

(A list of attendees, who signed, of the various meetings is attached).