

## **BUDGET, FINANCE AND PERSONNEL COMMITTEE**

**August 10, 2010**

**4:00 P.M.**

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

Others present included Dan Johnson, Susan DuBose, Fredia Kitchen, Randy Ray, Dardee Long, Doug Kelley, Donna Kelley, Mark Keil, Daisy Madison, Larry Zehnder, Madeline Green, Chief Parker, Danny Thornton, Richard Beeland, Karen Rennich, and Greta Hayes.

Chairwoman Berz announced that the Audit Committee would meet at 1:30 P.M. on Thursday. They are going to look at the Landfill Contract (She noted that Councilwoman Scott might want to attend); Charter Changes for the Audit Committee; and will also discuss the Hot Line. She noted that they had a vacancy on the Audit Committee and asked that Councilmembers please recommend someone who does not live in their district; that Tim Moore, whom Councilwoman Ladd had recommended, is coming off. She asked that Councilmembers put names forward; that the Council approves this committee.

Councilman McGary asked to bring up a concern requesting to remove the MLK Police Precinct from the Capital Budget as of now; that he had had a meeting with the President of the MLK Neighborhood Association, and he had informed Councilman McGary that there was a meeting scheduled for September with Administration; that the President would not be comfortable with him voting on this issue until they have an opportunity to discuss it—that there are questions on behalf of the community, and they would like to have a meeting; that if there is an amendment, he would be happy to vote on it.

Chairwoman Berz noted that we had passed the Capital Budget excerpting the \$6.5 million and should we possibly excerpt the Police Precinct also? Councilman McGary stated that he was asking to please do so. Councilman Rico asked if he was wanting this before first reading? Councilman McGary stated that he was asking to excerpt this.

Mr. Johnson felt that we should go ahead with this; that this had been out there for some time; that there would be a meeting next week, and he did not see anything to be gained by delaying this.

Councilman McGary stated that he did not know when the meeting was set; that he thought it was set for September, and we were voting on this in August; that there should have been a meeting prior to the voting; that he thought it was fair to have the neighborhood's questions answered.

Mr. Beeland stated that he was the one that set the meeting for September; that everyone had been talking about this for years, and it was at the neighborhood's suggestion.

Councilman McGary stated that the President was just asking that we be kind enough to let them have a chance to meet.

Chairwoman Berz again stated that we were excerpting the \$6.5 million dollars, and the question was should the Police Precinct be excerpted. She asked the Council what their pleasure was?

Mr. Johnson again stated that they had been asking for this for years, including Merri Mai Williamson. He questioned if they wanted a meeting between now and next week. Mr. Beeland indicated that he would try to set up a meeting.

Councilwoman Robinson asked if we were going forward with this meeting just because of one person? Councilman McGary explained that this one person was the President of the Association. Councilwoman Robinson agreed that there had been years of requests to go forward with this

Councilwoman Ladd was in favor of getting input from the neighborhood and doing what needs to be done.

Councilwoman Scott stated that she was having a hard time with this; that it is in Councilman McGary's district, and he is wanting to delay it; that she had a difficulty in seeing why we can't do this; that this issue could be amended, as well. She was in favor of taking it out now. Councilman McGary stated that he would like it taken out. Councilman Murphy agreed, stating that it **was** in Councilman McGary's neighborhood; that we could deal with this at tonight's meeting.

At this point, Chairwoman Berz stated that we would have a discussion concerning amendments to the Personnel Ordinance. She asked Ms. DuBose to come forward.

Ms. DuBose stated that there were two areas—Injury-On-Duty and Pensions—that the main concern in regards to pensions is that we reduced the amount—that no pension would be coming out, and the Union objected; that they had met with employees, including Frank Hamilton, who thought this would be okay in regards to making contributions and withdrawals. She noted that two Pension meetings were coming up—the Fire and Police Pension meeting and the General Pension meeting; that after that, we will have more of an answer that will be definitive in regards to giving employees credited service.

Chairwoman Berz asked if this should be taken off the agenda at this time? Attorney McMahan stated that he did not see any reason for this; that the trustees are independent of this body; that the lawyer for the Fire and Police Pension is interpreting this to say withholding will be on the base salary; that the lawyer thinks it should be calculated on the base salary and needs to get the Pension Board to approve this and Frank Hamilton wants this—nonetheless, it is the Board's decision. He added that the General Pension is different—it is based on earnings and is 75%. He suggested going forward with this; that once it is in final shape, we have to get an opinion from the Internal Revenue Service concerning tax exemptions. Ms. DuBose stated that this was subject to clarification to clean up a few points of confusion.

Chairwoman Berz noted that there had been a good meeting; that she was under the assumption this would be tax exempt. She asked if folks understood this? Attorney McMahan responded that he did not know. Ms. DuBose stated that Workemen's Comp is tax exempt. Attorney McMahan stated that the IRS would make the final determination. Ms. DuBose suggested a delay on the overtime part to get all the work done implemented. Chairwoman Berz stated that they had been meeting on this since February; that these are clean-ups; that they screwed up on some of the language. Ms. DuBose agreed that employees do have some confusion on a day to day basis. Chairwoman Berz noted that the Council can only direct this to go forward and that Administration designs the process; that there had been a lot of meetings and minutes.

Councilman Rico stated that if this would keep us from passing this, don't take it out. The answer was that it would not keep us from passing this. Chairwoman Berz stated that we were excerpting the \$6.5 million and Andre's request would be discussed further.

Ms. Madison addressed Mike's explanation to the Personnel Committee for the General Pension—a 75% to 65% reduction. She questioned the three highest years of earnings that the pension would be based on? Ms. DuBose confirmed that the three highest years would be whenever they occurred—not just the last three years.

Chairwoman Berz asked that the minutes up to date be approved.

The meeting was adjourned at 4:30 P.M.

