

COMMISSION WORKSHOP

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Mayor Nugent called the Budget Workshop to order. Present were Commissioner Travis Woods, Commissioner Tommy Chastain, Commissioner Wilbur Waters, Police Chief Jeff Johnson, City Clerk Ricky Thompson, City Manager Tom Ernharth, Fire Chief Gary Wise, Deputy Clerk Brenda Wiggins, Finance Director Alicia McMillian, and Finance Director/Senior Accountant John Paul Ledford. Commissioner Carolyn Spooner was absent.

Clerk Thompson introduced the new Finance Director/ Senior Accountant John Paul Ledford. He lives in Lake City and was part of the state audit team that conducted the audit here at the city.

Mayor Nugent turned the workshop over to City Manager Ernharth.

Mr. Ernharth provided the third draft of the fiscal year 2017 budget. The cover letter should have the August 23, 2016 date.

From the last meeting we now have four to five questions left to discuss and answer. Mr. Ledford has been assisting me with tweaking the numbers.

Based on conversations some minor changes have been done.

The sale of assets; \$11,062 was added in sales for the transfer of the two vehicles to the meter and public works departments. This will show as part of the payback to the funds used for the match to the vehicle grant.

The contribution from enterprise to general fund has been reduced to \$380,745. We were showing \$69,000 more in revenues than expenses so we reduced the transfer amount.

At the last workshop it was decided to provide 50 cent across the board raises to the employees. The elected officials he placed a 4% increase due to they don't have an hourly wage and provided 50 cents per hour for his salary.

Commissioner Waters stated when he first mentioned the raise he spoke only for the hourly personnel. Personally he is against the raise for himself and wanted it to be on record he is against a raise for the commissioners. His idea was to help get the salaries up for the employees.

Clerk Thompson added that he feels the same way and discussed that with Commissioner Waters.

Commissioner Woods stated it doesn't matter one way or the other for the elected officials and Mr. Ernharth don't take this offensively; but he and Attorney Sikes are contract employees are they included in the raise?

Mr. Ernharth stated no it was placed there for budgeting purposes. He ask for clarification on what he is to do with this item.

Commissioner Waters stated take it out.

Mr. Ernharth responded no to provide any type of increase to either of us would require a separate motion for a change to the contract.

The employee 50 cent increase is incorporated in the budget as well as benefits. It is \$1,080 increase for each full time employee; the total increase \$120,000 total to the city.

The 49.7% increase for the general employee retirement fund is in there due to the salary increases.

Mr. Ledford has found a small adjustment to the payroll taxes and it will reflect in the final budget.

Performance bonus and safety pay have been added as well as a separate line item.

Ms. McMillian ask for clarification that employees have to have been through their probation period to receive the bonus and safety pay. The response was yes.

Commissioner Woods ask the employees will need to have met a minimum score to receive the bonus, correct?

Mr. Ernharth responded yes.

The law enforcement retirement fund and firefighters retirement fund reflect increases based on the salary increases.

The decrease in the firefighter's salaries reflects the retirement of Tom Rowe. We even placed the internal promotions and hiring a new fireman.

For the Enterprise fund in the water cash carryover we added \$150,000 from the infrastructure fund to cover the cost of the Southgate Water Project. It will be paid back to the fund beginning in 2018 at a rate of \$50,000 a year for 3 years. It is in the budget but Mr. Ernharth will have to come to the commission to receive permission to move forward with the project.

Mr. Ernharth discussed water rates at the last meeting and stated there is an ordinance that requires a 5% increase every year. If we want to change that we will need to do a waiver.

He also mentioned Rural Water recommended 25.32% on sewer and that is based on our needs for the system. It was recommended to do it over a three year period at 8.5% per year; and recommended decreasing water and increasing sewer.

Clerk Thompson stated that some years ago the study indicated we needed to do a 5% on water and sewer per year.

Commissioner Chastain added the 8.5% would be a step in the right direction. Rural Water is suggesting a 25.32% increase to be placed in for this year. If we don't do some of it we will be getting further behind and with everything that is needed with our system we need to move forward. The budget in front of us reflects the 8.5% increase.

Commissioner Woods suggested reducing the water from 5% to 3% and increasing the sewer the 8.5%?

Commissioner Chastain stated he is not in favor of gouging customers but think about what is coming; we will need to extend water and sewer to different areas touching on the truck route. Where will we get those funds if we don't start collecting some funds for future extensions of the lines.

Mr. Ernharth added the work that will be needed at the plant as well as new lines.

Commissioner Chastain added we haven't went up on the milage all other areas went up a mil. We work with our citizens there but this is something that needs to be worked toward

Clerk Thompson added when these big developers come in have them fund it through the developers agreement and then it gets paid back through pro rata share. Like the way the city did WalMart.

Commissioner Waters stated for discussion to go with sewer 8.5% and water 3%.

Commissioner Woods responded that is what he is for.

Commissioner Chastain added we will be moving forward.

Mr. Ernharth stated it is decided to go the 8.5% on sewer and 3% on water>

Mayor Nugent added he doesn't agree but the majority agrees. Let's keep moving.

Mr. Ernharth continued; he placed the three additional employees into the budget; 1 in public works, 1 in gas; 1 in wastewater.

Commissioner Woods asked why do we need another person in the gas department?

Mr. Ernharth responded the Public Service Commission recommended it.

Commissioner Woods asked if there is enough work to keep the two employees busy let alone add another one. He does understand the issue that if one gets called out he or she has to call the other out so there is no real off time.

Commissioner Waters ask if we can cross train gas and public works?

Mr. Ernharth responded public works is so strapped now we could hire a complete crew to just do ditches.

Commissioner Waters suggested using that person in both departments.

Commissioner Chastain asked how many employees are at the wastewater plant? Mr. Ernharth responded four and a lot of the issues we are having it's not just the wastewater plant they also do water plants. The maintenance is what we are slacking on and that is why we need the person in waste water/water ; he will be maintenance.

Mr. Ernharth also added we are losing personnel in the line crew and with the new hire there he is going to cross train for the meter department.

Commissioner Chastain suggested the person for the wastewater/water maintenance be a split with public works. Maybe public works get 2 employees and the other departments get them when they are needed.

Commissioner Waters agrees hire three giving 2 to public works and using them in other departments when needed.

Commissioner Chastain referenced the question brought up in the employee workshop of employees working on call when there is a holiday in the week.

Mr. Ernharth responded you are not paid overtime until you work a 40 hour week. Holidays are not considered work hours. He will be getting with the employees to discuss on call after the budget is over.

The last couple items; meter reading capital outlay \$5,373 was added to cover the cost of the police vehicles that were transferred to the meter department.

Water Capital outlay \$5,689 to cover the cost of the police vehicle that was transferred to public works. These funds were transferred to the General Fund (sale of assets).

The sewer utility relocations for DOT projects we are budgeting the \$35,000.

Mr. Ernharth summarized the changes needed; remove the salary increases for elected officials and contract personnel; leave in a 3% water rate increase and leave in the 8.5% for sewer; out of the three new employees 2 will go to public works and the third will be figured out.

Commissioner Chastain added we are still showing a \$500,000 in the enterprise fund account.

Mr. Ernharth added that we are transferring less from the enterprise fund to the general fund without beating up the police department.

If there is nothing more to discuss Mayor Nugent closed the workshop.

Daniel Nugent, Mayor
Commissioner Tommy Chastain
Commissioner Carolyn B. Spooner
Commissioner Wilbur L. Waters
Commissioner Travis V. Woods

Attest: _____
Ricky Thompson, City Clerk