

## CITY WORKSHOP

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**\*Note: recording started with the workshop apparently already in progress.**

Mayor Woods: Do we know where to start? The last time we just got through the 3%, I heard yes, and the 3 added employees, I heard no. So now I guess if you want to go ahead with the 4 items that we talked about last time.

Tom Ernharth: If you want to, into the budget, we talked about concepts, and I think the last couple of items were just the police cars and the water park. We can touch on those if you want or we can get to the budget itself and jump right into the General Fund. We can get to those items as we go through the General Fund, because I think they are all kind of included in it.

Mayor Woods: Suits me fine

Tom Ernharth: To be honest with you, the Utility Fund is looking sweet, I don't think there is anything left to do to it, other than approve it. Just jump into the General Fund and just follow my memo of July 15<sup>th</sup>, I kind of hit the high points, we can skip right down to the General Fund which would be page 3, of that memo.

Commissioner Chastain: I don't have the memo, so tell me what page you're on.

Tom Ernharth: Looking at page 1

Commissioner Chastain: Page 1, okay

City Clerk Thompson: of 37? the memo?

Tom Ernharth: No, 26. The General Fund. Let me know when everybody's ready. Are we good to go?

Commissioner Nugent: Wait a minute. My computer...

City Clerk Thompson: It's won't be on the computer, I don't think

Tom Ernharth: You'd have to go back to the last meeting, the July 28<sup>th</sup> one, the workshop.

City Clerk Thompson: I can go burn a copy real quick if anyone needs one.

City Commissioner Chastain: No, I'm fine

City Commissioner Nugent: Yeah, send me one, to make sure I've got the right one.

Tom Ernharth: It's the one that says "initial budget" in the upper right hand corner.

Commissioner Nugent: Didn't you say there were some changes to that budget?

Tom Ernharth: There were some changes, but we didn't pursue the issue, some were, minor. If you want to borrow mine, I can wing it.

(discussion over sharing the budget information amongst the commissioners)

Tom Ernharth: Just as an overview and we're not getting into anything specific. Number 1, on that memo was under the General Fund, each was major revenue sources have been estimated using state and county worksheets for the city. So pretty much what I'm saying is that the numbers you see on the budget for revenues, we believe these numbers are solid and we are very comfortable with where they are. There are some minor issues we need to talk about as we go through the budget, but in terms of ad valorem taxes, as opposed to county taxes and fees. All that information we ran through the workshops we got from the state and the county, so we know exactly pretty much what we're going to get and those numbers are reflected in that budget. So we're very comfortable with them and I have examples of the worksheets if anybody wants to see them. They're not with me now, but afterwards.

The next one we can talk about somewhat is on page 2, and Danny can catch up. We are talking about we added a line item to the potential \$350,000 grant for the new fire truck. Corresponding with that revenue is also \$350,000 expense, so should we get that grant that fire truck is in there, if we don't get the grant, we don't get the fire truck. So, it's kind of a wash in terms of revenue and expense and it's up to you whether or not you want to leave that in there. It is a wash as a

negative impact on the budget, so it's up to your discretion as to what you want to do with that.

Mayor Woods: Personally, in my opinion, I'd just as soon take the \$350,000 out and if the grant comes through we got it and if not, we don't and we'll be fine. I think we will be closer to our numbers of what we probably want to be, if we take that out now.

Tom Ernharth: Okay

Mayor Woods: I mean if you get the grant you're going to get the truck.

Chief Tom Rowe: Exactly, but my recommendation would be to leave it in the budget considering the age of the truck we have now. We have some issue with the truck now that we're probably going to have to take it out of service and we have no reserve or back-up when that truck goes down, so we may be in the process of having to lease a truck or paying a fee to get another truck. We're trying to pursue other avenues of borrowing a truck. If that truck goes down, we will be out of service for a while here, coming up pretty quick.

Commissioner Nugent: I kind of like the idea of leaving it in there, but like I say, if you have problems can you keep your eye on the bottom line and try to look into getting a good used one if you had to, if don't get the grant and also look into what the prices would be of a leased one until you can get a grant.

Mayor Woods: Is that the wishes of the present commission?

Commissioner Spooner: I have a question. Are you saying initially you didn't want to keep it in there because you didn't want to count the dollars before you actually had them? Is that your implication?

Tom Ernharth: Using John's theory, if you are 85% sure we're going to get something, then put it in the budget. If we're not 85% sure, we shouldn't put it in. So, we put it in there on the Chief's recommendation. I'm not sure on how positive we are on getting it, so it can go either way to be honest.

Commissioner Chastain: So, if that's your recommendation—

John Thiemann: The reasoning is, you're going to the public with that information so if you...from an audit standpoint if you're not 80% sure you're going to get it,

why do it. You can always do a budget amendment, like we have to do even this year. It's no harm, no foul. If you go to the public saying you're going to get a fire truck for \$350,000 and it doesn't happen...and we certainly don't want anyone spending that money before we get the money.

Mayor Woods: and too, let me ask you this, I'm sitting here and I think I've probably had this conversation with Ricky and I'm not sure if we came up with a good definite answer, but I'm looking at the Utility Fund transferring so much to the General Fund.

Tom Ernharth: So with the fire truck, it's a wash. Revenue in, revenue out. It's zero impact on the budget, it doesn't impact that transfer from the Utility Fund.

Mayor Woods: I understand that, but if we don't get it, we haven't transferred the money from Utility to General, but if we get the grant they'd get the truck anyway

Tom Ernharth: but we wouldn't have transferred any money. The \$450,000, the \$350,000 fire truck is not included within that transfer amount.

Mayor Woods: Okay

Chief Tom Rowe: The only thing we'd have to do is the 5% match

Mayor Woods: Okay

Commissioner Chastain: Question, does anybody know when you'll hear?

Chief Tom Rowe: We were suppose to hear on it last month, but we haven't heard anything on either one of them, so—

Commissioner Chastain: you're talking about the police cars and yours?

Tom Ernharth: yeah, do we have an understanding on the fire truck? Are we leaving it in or taking it out? Just so we're clear on that.

Commissioner Spooner: Budgetarily, if you don't have a greater certainty that you're going to have the money, you can't count what you don't have, but if you know, pretty much, that you're going to receive it. So, if you know for sure then yes.

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(laughter)

Commissioner Spooner: but we don't know for sure. We can't count it if it's not there.

Commissioner Chastain: Does the word "grant" take care of not counting it until it shows up?

City Clerk Thompson: John, that wouldn't even require a budget amendment, or would it? If after the fiscal year starts, having that \$350,000 or could you just take it out?

John Thiemann: if you take it out of the 2015/2016 budget and Chief Rowe is fortunate enough to get the grant, you'd have to...technically...we have time, remember you have all the way until, I'm not sure of when you're going to vote on the final budget, but literally that night you can change the budget. So if you get word by September, I'm not sure when you're going to vote on it but that would be the deadline.

City Clerk: Before the end of the month, thirty days. It'd be before that.

John Thiemann: and if you get the money before this year ends, 2014/2015, we would have to do a budget amendment for 14/15.

Commissioner Chastain: So we've decided to?

Tom Ernharth: Flip a coin?

Mayor Woods: To me, I don't know, if it's going to be a wash and not cost the city anything, and it's going to be a wash to get the truck. They get their truck, we don't put it in the budget, and it's a wash. I don't see why it needs to be put in the budget. That's my personal opinion. We've got 4 more down here with an opinion too.

Commissioner Spooner: It's kind of like counting it before you get it, you think it's coming, but when you're doing your budget for that period of time you have to go with the money you have in hand, or that you know you're going to have in hand. I don't think we can count it in there until we know for sure, even if we have to do the amendment.

City Clerk Thompson: Why not this suggestion? We put the 5% in there and list it as the fire truck and if we get it. What is that \$15,000 or maybe more off of the \$350,000, the match,

John Thiemann: You already have \$130,000 in Capital Outlay if that's how you want to play it. I don't know if you want to use that just in place of whatever you in place of the \$130,000 line to put whatever Ricky suggested and it won't change anything. The \$130,000 will be \$130,000, if indeed the commission and we haven't discussed this, but there is \$130,000 beyond the \$350,000 fire truck in the Fire Department's budget, so you could include that as part of the \$130,000. Instead of adding to the budget, by adding to the budget and getting rid of the revenue, you're actually going to make this budget worse. Now we have \$15,000 more that we have to get over the top.

Commissioner Nugent: I'd just leave it out and stretch it out and amend the budget if we get the grant.

Commissioner Spooner: Yeah, that makes sense.

Mayor Woods: So, you're saying... I sort of like Ricky's idea too, of putting the 5% in here on the \$350,000 line then it's there if we get it and if we don't it's still there to cover something in case there's an emergency before the end of the (fiscal) year, so

Tom Ernharth: And it could actually be included in the \$130,000 that is already in the budget under the Fire Department for capital improvements. We've got some padding in there for the new roofs and some of the other things we're purchasing, so that \$17,500 (5% of the \$350,000) could be in there already, depending how those bids come in.

Mayor Woods: Are we going to take it out or leave it in there?

Tom Ernharth: I heard take it out

Mayor Woods: Take it out, okay.

Tom Ernharth: Now should we use the same philosophy for the next line item which is the 4 police cars that we are looking at a grant to get? This would be the CDBG grant, right?

City Clerk Thompson: Through Rural Development.

Tom Ernharth: Should we use that same philosophy and take it out? For the next one which is \$100,000, the next line item... okay.

Commissioner Chastain: So then that, \$936,000 down there is going to change big time.

Tom Ernharth: that's right we'll lose \$450,000 of it.

Commission Chastain: has anybody else calculated it?

Commissioner Spooner: \$533,675

Tom Ernharth: We're jumping over to page 3 under revenues, just to give you something, looking at fines and forfeitures. We're looking to increase that... we're looking to reduce that from 50 to 35, it's just anticipated. Under the next one, increase the anticipated investigative fund of revenue from \$5,000 to \$26,500, that's based upon current expenditures. Next one, number 6, miscellaneous revenues, which is on page 4, increase the line item for off-duty detail from \$7,000 to \$19,200 this is based on the additional need at Santa Fe College and a little bit of money we get from VyStar, both are in the line item.

Mayor Woods: Wait a minute before you go any further on this \$19,200, Santa Fe is paying y'all to do that right?

Tom Ernharth: Yes, that's correct.

Mayor Woods: Why are we raising it if they're paying it and it's going to be a wash as to what the city is going to pay? I mean, they're going to give us the money then we're going to turn around and give it to y'all.

Captain Barry Warren: money in/money out.

Chief Johnson: We have to show it, any time there is a detail (job)

Mayor Woods: I understand now

Tom Ernharth: There's a line where the money's in and a line where the money's out

Mayor Woods: You weren't doing this last year when the budget was made at \$7,000, so this year is based on different figures; that's all, right.

Chief Johnson: Yes

Mayor Woods: All right, I just want to make sure we all understood it.

Tom Ernharth: One thing I want to talk about that is not on my memo. If you go down to—

Mayor Woods: Wait a minute. I have a question before we go any further. Okay if they are giving us money. If they are paying the city to turn around and write them a check—

Tom Ernharth: No, we are writing officers a check.

Mayor Woods: That's what I'm talking about. Them is officers. So, if it's going to be another wash type deal, why are you going to...why, I don't understand

City Clerk Thompson: You have to list it as a revenue stream coming in, and as an expenditure line item going out of the same amount because we have to pay his patrolmen.

Mayor Woods: I understand that, it just hard to conceive that hey, look they're paying and you're going to wash it out by the time you write a check. SO I was just wondering why we're putting \$19,000 there if that's what's going to be done.

Tom Ernharth: Revenue in we have to reflect on the officer's W-2 forms, that's why it has to be shown

Mayor Woods: I got it, go ahead.

Tom Ernharth: Next, I want to jump down to Sprint Tower Rental. We have had \$11,000, overall as a policy moving forward, cost effective moving forward. DO we want to continue to collect \$900 a month for that tower or do we want to explore other options. Do we want to sell it? Try to renegotiate the rent? Because \$900 a month is kind of extremely low for the rental of a Sprint Tower. If you look at the overall budget for the General Fund, we are transferring over \$500,000 from the Utility Fund. Do we want to help out the General Fund by looking at either

increasing the rent for the Sprint Tower or I know we've been approached before to sell it outright.

Commissioner Waters: We're in contract with them now

Commissioner Spooner: We have to abide by the contract

Tom Ernharth: There's just one potential item that we saw that could increase revenue if we decided to sell or if we decided to do something else with it.

Chief Johnson: I think it runs through 2022

City Clerk Thompson: I don't know if it allows for an increase to the city, I'm not sure.

Commissioner Spooner: I don't think under the current contract if we can renegotiate in asking for additional at the closing.

Mayor Woods: That came before us not too many years ago and we told them we weren't interested in selling it at that time. We'd rent it to them but we wouldn't sell it to them.

Tom Ernharth: Okay, I just wanted to bring it up as a discussion just as a way to help out the General Fund. Next, if you want to we'll go down to a couple other lines. This is contribution from USRS, at the bottom of page 4, that's the 435 and in this budget version this is the amount we are transferring from the Utility Fund over to the General Fund.

Commissioner Chastain: So, we are still at 435, because I'm showing 444,so—

Tom Ernharth: yeah 435

Commissioner Spooner: It should be 435

Tom Ernharth: That's what we are showing at this time when we make further cuts that number will change as we go through it.

Commissioner Chastain: and that includes the pay raise to the—

Tom Ernharth: It does not include that

Commissioner Chastain: So then you would add another—

Tom Ernharth: another \$53,000

Commissioner Chastain: So, you might as well say at \$500,000

City Clerk Thompson: That does include the pay raise, the 3%

Tom Ernharth: No, it does not

City Clerk Thompson: Okay

Mayor Woods: We need to work on lowering this budget and not transferring \$500,000.

Tom Ernharth: Number 8, under other sources of revenue on the next page. We look at proceeds from loan. If we want to purchase 5 additional police cars, that would be the revenue for the loan, \$125,000.

Commissioner Spooner: Where are you?

(a few others express being lost)

Tom Ernharth: I'm sorry I'm on 526, second line from the top. That \$125,000 if we wish to purchase 5 additional police cars, that's the loan revenue to purchase those vehicles. As to get into a discussion on my original summary, do we indeed want to purchase 5 additional cars and borrow money to do that? Because that in turn would increase the expenses and it would increase our payment as well as our interest and principle payments within the budget.

Mayor Woods: Commissioner Chastain

Commissioner Chastain: So what if we looked at 3 cars right now

Tom Ernharth: Then you would look at \$75,000. Remember, with the grant for 4 cars and the Chief asked me for 5 additional cars on top of that. He wants to purchase a total of 9 vehicles.

Commissioner Chastain: Right

Tom Ernharth: and 5 of those vehicles would need to need to be financed under the \$125,000 which would be the loan.

Commissioner Spooner: so just to be clear, so \$100,000 on page 2 would be for the 4 cars and this (\$125,000) would be for the 5 additional.

Tom Ernharth: Yes, the 4 cars on page 2 would be the grant, the 5 cars on page 5 would

Chief Johnson: out of the budget. The \$125,000

Commissioner Nugent: Let me get the right, if the grant doesn't go through, you won't have the initial 4 cars, so I know you want 5, so I'd like to at least look at getting 3 that way at least he's got something coming. If you don't get the 4 from the grant, you don't have any car if we don't put something in

Chief Johnson: and one of the purpose of getting that many cars at one time is 4 vehicles will be transferred within the city and 7 crown vics would be sold and that money from that would go back into the fund. I would suspect it to be approximately \$1700 to \$2200 per vehicle based on what we were getting for them (at auction). They are pushing 200,000 miles and now I've got a Trailblazer with 70,000 miles, which will be a nice vehicle. I'll have the stripes taken off of it, the lights and if you want the siren left in it, I will leave it. I also have a Sports Trac and 2 Explorers which the city will use

Commissioner Spooner: So you will use those funds and purchase another?

Chief Johnson: yep...no ma'am, y'all would have those funds. You could put toward the loan, you could put it...it's y'all's I'm putting that back in. Ricky said he's show the value of the vehicles for my department. Like you said it's going to be here not as a check to the department. 3 of them are good vehicles. 1 of them is going to have the timing chain replaced on it and that person is going to be using my truck. So that's going to be a pretty good vehicle when we're done with that. So that's going to be 4 vehicles for the city and 7, maybe 8, but I think 7 crown vics are going to be sold.

Tom Ernharth: Let's back up just a second. The Chief is asking for 9 vehicles. Do we want him to have 9 vehicles within this budget? I think that's the first question. The second question is if he gets 4 for the grant, do we want to condition that he

gets just the 4 comes out of the grant and if he doesn't get the grant to purchase 3 outright? I don't want to have money in the budget for the grant and for 3 vehicles and have him purchase 7 when we only wanted him to have either 3 or 4. Are you following what I'm saying?

Mayor Woods: Exactly

Tom Ernharth: The first question is how many vehicles do we think the police department should purchase in 2016?

Mayor Woods: There again we are working on "if" again. And if we get the grant, then yeah they're going to have 4 cars, and if that happens and we buy them 3 then that's 7 cars.

Tom Ernharth: This is what I'm getting at

Mayor Woods: So do you want to work on if or do you want to go ahead and get the 5 and...or go ahead and do the 3 and if we don't get the grant then we could still take some of that money gets by selling those vehicle and purchase 2.

Tom Ernharth: I'd like to do it the reverse way. If he gets the grant, he buys 4 cars. If he doesn't get the grant, we'll put funds in the budget for him to buy 3 cars and we condition within the budget. If you get the grant 4 cars if he fails to get the grant, he gets 3 cars but he doesn't get 7, no offense. That's how I'd like to see it played out. That way there will not—

Chief Johnson: Can I tell you what I want?

(laughter)

Chief Johnson: Here's what I'd like. If I don't get the grant, I'd like to buy 5. If I do get the grant, I want to be able to release those cars. I can't release those 4 if I don't get enough to release them. You understand what I'm saying? I mean, I can't give you a car when I don't have anything to replace it and that's what I'm attempting to do. That's why it's 5 through the budget and 4 through the grant.

Commissioner Chastain: So could live with 4, because you were going to give us 4?

Chief Johnson: Oh, absolutely.

Commissioner Chastain: Is that a give and take?

Chief Johnson: Yes

Commissioner Chastain: Right now

Chief Johnson: If you're going to give me 4 cars now through the budget, is that what you're saying? And then if we get the grant it'll be another 4 cars? That would be 8 cars total. I could do it with that. I could do what we're trying to do with that 8, but I don't think I could do it with any less.

City Clerk Johnson: That would give you a total of 10 new ones.

Chief Johnson: Well everything on the road would be 2010 or newer. I'd still have 2- 2010 crown vics on the road and a 2010 crown vic as a reserve and then all of the old crown vics would go. And then those vehicles would be transferred to you and only one of them is striped. So we would only have to take the stripes off the one and I've got people who can take the stripes off of it. That's not going to cost us anything. We'll take the stripes off that one, it's a Trailblazer, then there's a Sports Trac and 2 Explorers and one of the Explorers just had a motor put in it. So it's in good shape.

Commissioner Waters: How many did we buy last year?

Chief Johnson: 6. We bought 6 in July well it's been over a year.

Commissioner Waters: so that's going give you 14 new cars?

Commissioner Spooner: Wow!

City Clerk Thompson: Well, a total of 10

Chief Johnson: If the grant through, only through the budget 9.

Captain Barry Warren: They're not all marked, they're not all marked patrol cars

Chief Johnson: Yeah, won't all be marked patrol cars so they won't cost as much as a patrol car since some of these won't be striped.

Mayor Woods: Okay, I'm going back to a question that we had last week. Your total officers is at 17 right?

Chief Johnson: No 18, with the grant there's 18.

Mayor Woods: okay, per our study or whatever Mr. Tom came up with, with the acreage... mileage, and head count, there's suppose to be 15 employees.

Tom Ernharth: yeah about that

Chief Johnson: Yeah, but then being nosy I looked on a different website and it said any city under 10,000 is 3.5 instead of 2.5, so it's really who you want to listen to and what level of service you want to get.

Tom Ernharth: The bottom line is we have to look at the budget. Like you said we are almost \$500,000 that we are looking at having to transfer and while the purchase of vehicles won't have any impact because we will have the loan coming in and expenses going out which will increase our debt and our principle, which is additional funds we will need to supplement through the Utility Fund.

Mayor Woods: Okay question is, \$125,000 you're going to reduce down to 4 cars for a total of \$100,000. So we can knock off \$25,000 and make it \$100,000.

Chief Johnson: Yes

Tom Ernharth: So, we knock it down to \$100,000 and that ends my discussion on revenue under the General Fund. Any other questions or observations or comments?

Mayor Woods: so the only thing that's going to change is—

Commissioner Chastain: So what's that going to do to our bottom line? The total that was \$669,772, what does that do to it? What's the number going to be now? All of us and nobody brought a calculator.

Commissioner Nugent: I've got one right here.

City Clerk Thompson: I've got one on my desk.

City Attorney Dan Sikes: The CPA should be able to do it

(laughter)

John Thiemann: My suggestion would be to go through the expenses. You've got a lot of offsets now that you've taken revenue away you're going to take expense away. Revenue isn't going to mean anything at this point, you need to go through your expenses.

Mayor Woods: and by that you will come up with a lesser number, am I right John? When you do the cuts you're going show a lesser number.

Tom Ernharth: Keep in mind, all we've cut in revenues is equal to the expenses for the fire truck, the grant the police cars and the \$25,000 for the revenue for the 5<sup>th</sup> car. So that automatically comes off of revenue so we aren't saving any money yet in the General Fund by doing this.

Moving on to expenses, pages 6 and 7 refers to salary and benefits to legislative branches and executive branches. My next comment under my memo goes to page 8, and that's the \$50,000 added under Badcock Development for improvements to that property and that's the second line from the top. The question is there is no offsetting revenue for that, do we want to include \$50,000 in the budget? This is a full \$50,000 that would be transferred from the Utility Fund to cover this cost. The question is what do you want to do with this \$50,000? Do we leave it in as seed money to start working on that project or take it out and see what the final DOT plans come up with? They're obviously looking at Route 100.

Commissioner Chastain: The latest site we have from them shows nothing happening to the Badcock site, it stays like it is. So in my opinion this money needs to stay there in order for when we take it over, we would be able to do something.

Commissioner Nugent: You know how we did the fire department, I'd like to see what the value of it is if somebody would be interested in it, why spend our \$50,000, if somebody would like to purchase it and we could use that money to buy another spot to have additional parking. So if they'd buy it and fix it up, we'd save \$50,000 and not tearing it down and buy some other parcel in town right here. So it's something to look at doing so instead of saying hey let's tear it down where someone else might like to buy it and we can buy some other land for additional parking.

Tom Ernharth: When I was at the Chamber today they said that Badcock's looked at moving to their new location in December. I think that under the agreement, we would get it after the CL's issued or somewhere along those lines so we're probably looking at January taking ownership of it.

Commissioner Nugent: Now when I say sell the building I mean, I would like to keep the parking outside. We'd just sell the structure, the building itself. Like we did over here with the fire department.

Mayor Woods: Well the building itself is not safe.

Commissioner Nugent: But if somebody bought it, they could fix it and that's their option. If they didn't buy it, we could look at other options.

Commissioner Waters: Personally, I'd like to stick with what we first started with, using it for parking.

Mayor Woods: I thought all the time, like you Wilbur that was the main reason they came in and wanted to give it to us, to tear down and make parking. I thought we, this Board of Commissions, agreed on that.

Commissioner Nugent: We didn't vote on it

Mayor Woods: We didn't vote on it, but the verbal agreement has been made

Commissioner Nugent: I agree with you. We need the parking outside, but we have opportunities to sell a building and make profit and save the city \$50,000 and not having to tear something down is worth advertising. You're not going to get 30 spots by tearing that building down, you might with the surrounding spots but

City Attorney Dan Sikes: One of the reasons you would this property into a parking lot is by virtue of having a parking lot down town you increase the ability to have patrons come to downtown businesses which increases the property value which increases the business which increases the tax roll and basically it all flows in on itself. While it may bring in money immediately by selling it, in the long term the impact to improve the economy would be to have some form of ongoing parking downtown. This would be immeasurable improvement to downtown community. That's just my observation. I don't have any stake in this either way.

Commissioner Chastain: I agree

Tom Ernharth: I think we are kind of getting ahead of ourselves in terms of what we do with the property. We're not going to acquire it until January. Right now we are just looking at this as a budget area item. Do we want to keep money in there for future redevelopment or undevelopment of that property or not and that's what we're looking at now. What we ultimately do with the property, I think that is a decision for the future.

Mayor Woods: Well, I'm with Commissioner Chastain I feel this is what we accepted the building, accepted the trade for in the beginning to use it for parking and we are going to have to have money in order to tear it down and make parking. I just assume to leave it there, but the others can state their opinions.

City Attorney Dan Sikes: The other thing is you don't know what DOT is doing yet either

Commissioner Spooner: I don't have any objection to leaving it in there until we've decided what's going to be done with it, even if we have to do an amendment later or whatever, we'd have the money there.

Commissioner Nugent: Leave it there.

Mayor Woods: So, we're going to leave it and move on.

Tom Ernharth: We were talking about savings, here's the savings under General Insurance, 3<sup>rd</sup> line from the bottom on page 8. In the 2015 budget, \$48,000 budgeted for insurance, we have dropped that down to \$18,100 that's part of the savings we got by switching insurance.

Commissioner Chastain: That's true, but we are inflating our budget in other areas that is causing us to lose that savings.

Tom Ernharth: We're getting to that point, to the lawless portion of the budget.

(uproar of laughter)

Chief Johnson: You always gotta be picking on the police department

Tom Ernharth: We're getting to point where we answer that question. Next, look under page 12. I'm sorry let's go back to page 9 for a second.

Commissioner Chastain: Yes, let's go back to page 9

Tom Ernharth: At the bottom, Capital Outlay, which is about 5 from the bottom. You see a zero dollar figure for 2016, \$100,000 for 2015, we are looking at doing no improvements to this building in 2016, in the previous years you can see we did some significant improvements to it and Ricky should be commended for everything he's done from what I hear the building looked like before I got here...so, I just wanted to point that out.

Commission Waters: Here on repairs you have zero, and you haven't had anything since 2010. What's that—

City Clerk Thompson: That truck got transferred to the county for animal control.

Tom Ernharth: after that, look at page 3, these are the ones we've typically given contributions to throughout the year: the Chamber of Commerce, Concerned Citizens, next line, not Main Street anymore, next page is Downtown Merchants and Communities in Schools.

Commissioner Spooner: What page are you on now?

Tom Ernharth: We're on page 9 and 10. The bottom of page 9 and the top of page 10. Do we want to include anything within the budget for contributions to any of those organizations that I have mentioned?

Commission Nugent: I'd like to leave it where some funds are earmarked for those we've donated to in the past such as Communities in Schools and Downtown Merchants the same and have some funds available for other organizations that haven't been mentioned to have the same opportunity for funds.

Mayor Woods: If the budget passes. I mean if the resolution or ordinance passes, then we suggested last week we put \$5,000 in there and setting each request at a maximum of \$1,000, so that would fulfill 5 requests. Now where are you putting that \$5,000?

Tom Ernharth: That \$5,000 could be any one of the line items that we talked about. We could just have a line item for that.

Mayor Woods: Do we need to create a line item for that?

Tom Ernharth: Just a contributions in general. Instead of earmarking for specific use

Mayor Woods: What you're looking at now, you're looking at the Chamber, Concerned Citizens, Downtown and all that

Tom Ernharth: On the line that has "Main Street" since there isn't a Main Street program any more, we could change that line item to contributions, something along those lines.

Mayor Woods: that way if someone comes in and they are the second or third one we can go back to that line item and say we still have \$3000 or we still have \$2000 and have a line item we can go to.

Tom Ernharth: yes.

Commissioner Waters: Mr. Mayor, I got a question. I would like for the board to consider you got the Chamber of Commerce, Concern Citizens, Downtown Merchants, Communities in Schools and we talked about putting in \$5000. I would like to see that number be around 10, that would give each one of them a little more than the thousand and when we need it we'd have a little extra. Those 5 right there are the ones that hits us up, and if the board can see it to go from 5 to 10 on that line item.

Tom Ernharth: Keep in mind, under my contribution policy I'm asking everyone to submit their contribution requests by, I believe it's no later than June 1<sup>st</sup>. So we will know going into the budget how much money we're going to allocate going into it. So, if you put 10 as the max and we get say 8 requests, I can budget 8. So I will know exactly what we need to budget for when we get there, but in the policy we can put a max of 10 if you wanted to.

City Clerk Thompson: On page 10 of 26, the very top Downtown Merchants we never reach that \$1,000 because it's for the candy for the Pumpkin Escape and the Christmas Parade.

Commissioner Waters: But you never know what's going to come up Ricky.

City Clerk Thompson: That's true.

Commissioner Waters: You just never know what's going to come up with the donations for those organizations.

Commissioner Spooner: I agree that we should increase it. For example, when we were talking about doing the fireworks and those different things we've wanted to do within the community. We need those additional dollars there to help with different activities we may need and also if these merchants, organizations or others come to us for assistance.

Mayor Woods: I will agree with what you said, but I am sitting firm on the transferring \$500,000 of the Utility Fund \*laughs\* but I do like your idea and I'm not knocking that.

Commissioner Nugent: I kind of agree. I hadn't even thought about the fireworks and I had thought about the organizations with the way Tom wrote the ordinance, of increasing the amount to \$10,000 myself to allow for funds that people hadn't planned on asking for.

Mayor Woods: I'll agree with you Danny, I really do, but somewhere along the line you've got to stop to organizations coming in and asking. You're going to have to say no somewhere.

Commissioner Nugent: That's why the ordinance should have a limit.

Mayor Woods: That's what I'm saying.

Tom Ernharth: It's got a limit and it has a date limit, so

Mayor Woods: That's why I wanted to put a limit on it. We can't...we don't want to have to pick and choose who when someone else has asked first. If this budget, when we get through with it can go from \$5,000 to \$10,000, I have no problem with it.

Commissioner Waters: Well the 5, and I'll leave it alone, the 5 I've just named off they work with the city and the city needs to work with them, so, okay.

Mayor Woods: and I'll agree with that.

Tom Ernharth: So push it to 10? Is that what I'm hearing?

Commissioner Waters: I'd like to see it at 10 and see if we can make it work. I'll say it again "if the budget will allow it."

Tom Ernharth: Keep in mind. We are adding to the expenses now. Eventually we've got to cut. Page 10, code enforcement salary and other funds.

Mayor Woods: You're on page 10? What line?

Tom Ernharth: No, we're skipping ahead. Salaries and benefits. Same thing with page 11 salaries and benefits for the maintenance shop. On page 11, here's where we get into law enforcement.

(Chief Johnson cheers and everyone laughs)

Tom Ernharth: here's where we start cutting. Here's where we start making some progress.

(laughter )

Chief Johnson: careful I know where you moved to \*laughs\*

Tom Ernharth: Under number 11 on page 12, law enforcement expenses. Salaries have been budgeted for \$448,000 and are based on the rejected average for the fiscal year 2015 and are pretty much in line with the fiscal year 2014 actuals. If you look at where we were in 2014 in terms of expense for patrolman in \$472,000, we're \$30,000 less. We're \$41,000 more than what we budgeted in 15 but still less than what we were in 2014.

Commissioner Chastain: Which is an actual number

Tom Ernharth: It's an actual number, that's where we are and then administration salaries, represent 3 administrative positions within the department, but only 2 were budgeted in 2015 and as a result it went from \$89,610 to \$131,000 and that's basically the line item and under salaries, administration, 5<sup>th</sup> one from the bottom that's the one with \$131,000 and that once again represents actual numbers for fiscal year 2016.

Chief Johnson: Is there a reason that's a different line item?

John Thiemann: It's a different line item because they're not patrol.

Chief Johnson: But I've got Sergeants that are on patrol. I know it originated in the FOP contract, but we're not falling under the FOP contract any more. I mean there is time my administrative get overtime.

Commissioner Spooner: Question, so are you saying that the \$42,000 increase over the previous year came from overtime?

Tom Ernharth: We budgeted for 2 administration which is Barry here and Spriggle, and Murphy I think

Chief Johnson: Murphy was dropped to a Sergeant and Tom (Gorman) was made the Lieutenant and I don't know how that didn't happen, but it didn't. Tom was not shown as an administrator. That was that question I just asked. What's the—

Commissioner Spooner: So it's not..., it's that they were counted in a different category?

Chief Johnson: Right, they were in a different line item.

Commissioner Spooner: okay

John Thiemann: patrolman verses administration

Tom Ernharth: Pretty much if you move Murphy back up to patrolman, we'd be pretty much close to where we were on the 2014 initials and that's where that \$30,000 savings was actually shifted down and administration became the greater expense.

Mayor Woods: Any comments?

Commissioner Chastain: So earlier we said that we had 18 officers, right? But the part time officers, that's in addition—

Chief Johnson: they work different than a full time.

Commissioner Chastain: and how many of those do we have?

Chief Johnson: 4 right now.

Commissioner Chastain: Because I'm seeing... am I correct to say that that's gone up \$20,000 in the next year's budget.

Tom Ernharth: That's the next comment.

Chief Johnson: I don't know where the \$38,000, I'll take that. I mean I don't know where that comes from. I'm sure that comes from Tom (Ernharth) looking at stuff.

John Thiemann: they come from run rates. They come from the rates we are actually running this year. What I normally do is to extrapolate 9 months into 12 months as though we are running the same part time, over time, what not that we've been running for 9 or 10 months I extrapolate that and make it 12 months and that's what I put into the budget. It doesn't mean we have to spend \$38,000

Tom Ernharth: but you're running at 38

Captain Barry Warren: We had a Sergeant that went out with surgery and injury to his arm, so we had part time put in additional hours to cover that and that includes—

Chief Johnson: That includes parades, putting up lights and everything, that includes everything because I use my part time guys for that, I don't use my full time fellows

John Thiemann: You also have to understand your Santa Fe people are also in this figure, that \$18,000 in imbedded in here

Chief Johnson: Oh, okay

John Thiemann: It's not a separate line item, it's a patrolman

Commissioner Nugent: So you're running like 19 right now. It washes out so you're really \$19,000, so you're under the 20, like you said.

Tom Ernharth: We've already went over the officers going from \$18,500 to \$38,000 based on run rates. We're now moving on to page 13 once again looking at savings within this budget. The insurance expenses have dropped from \$67,000 to \$39,500, that's on page 13 down towards the bottom

Chief Johnson: About a third of the way down.

Tom Ernharth: about 5 or 6 from the bottom.

Chief Johnson: You'll see an increase on the telephones, that's all the telephones. They are issued under the Starke Police Department. We changed, Ricky got us changed to Verizon to save us a bunch of money and we have a bank of phones we use at anytime, but they don't really cost us any money, but this covers all the phones being used. They are billed through the police department, isn't that right Ricky. That's the little bit of increase that you see

City Clerk Thompson: We should have some free additional ones in case we have a storm or something

Chief Johnson: Yes, for catastrophes you pay something like 5 cents a month, but you can immediately cut them on if you need them.

Tom Ernharth: Any other questions on page 13? If not, we'll skip to 14. Jumping to 14, the only comment I have is down at the bottom, third from the bottom. Police car capital outlay that would drop to \$200,000 because we've got the \$100,000, I'm sorry it would drop to \$100,000 because we took out the \$100,000 for the grant and the \$25,000 which would have been the 5th car. That \$225,000 would drop to \$100,000. Then we would have to adjust the police car loan, the principle and interest on the next line because that is calculated based on 5 vehicles and we're only purchasing 4, so that would change a little bit.

Mayor Woods: The new budget would have that change

Tom Ernharth: Yes.

Mayor Woods: Okay, Mr. Tom we've got about 7 more minutes. So, I was going to tell you to find a good spot to stop at.

Tom Ernharth: We can stop at...after the police. That would be a good spot to break.

Mayor Woods: Yes, that would be good. We'll stop at the end of the police.

Tom Ernharth: On page 15, we're going to change that \$88,000 which is the 2<sup>nd</sup> line item down to \$92,000, based upon the agreement we adopted last week with the Sheriff (Dispatch Aided Response and Memorandum of Understanding

agreements), so that bumps it up to \$92,000 and once again we are going in the wrong direction.

Mayor Woods: Okay

Tom Ernharth: According to my memo we are at fire so—. Next two is VOCA and COPS grant which we've got so more than likely so—

Chief Johnson: While we are at that point, Mayor let me mention that we were informed that last Thursday... Wednesday, I'm not sure when it was, maybe Thursday, that we were number 1 in the state for a what they call a vehicle occupancy—

Captain Barry Warren: We did a grant for vehicle restraint enforcement and awareness which would pay overtime for officers patrol efforts and we should know something—

Chief Johnson: We should know something within this week and that is a \$60,000 grant to pay overtime and it's primarily for occupancy, child restraints, seat belts, enforcement like that, but the person gets paid overtime through that grant. So that's another one of those ifs I'm hoping I get. \*laughs\*

Tom Ernharth: and that would bring us to the fire department, so if there are no further questions this would be a good place to take a break.

Mayor Woods: Yes and that gives us about a 5 minute break before the meeting

Commissioner Chastain: So don't forget to label your budget

Tom Ernharth: Do you want to continue with this budget to avoid confusion or do you want us to update it to include the changes we made tonight.

Commissioners: updated, with the new numbers

Tom Ernharth: okay, so we won't touch any of the fire department's until we get through that. Thank you.

City of Starke  
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\_\_\_\_\_  
Travis V. Woods, Mayor  
Commissioner Tommy Chastain  
Commissioner Daniel Nugent  
Commissioner Carolyn B. Spooner  
Commissioner Wilbur L. Waters

Attest: \_\_\_\_\_  
Ricky Thompson, City Clerk