MINUTES
CITY COUNCIL
BUDGET WORK SESSION
MARCH 21, 2011
6:30P.M.

PRESENT: Mayor Bryan Hough, Mayor Pro-Tem Carolyn Breyare, Councilmen Perry Toomey, Jim Hope, Bennie Brookshire, Jerry Bishop and David Moore. Danny Jackson, City Manager, Jamie Guffey, Assistant City Manager, Africa Otis, Finance Officer, David Belk, Police Chief, Dale Oplinger, Fire Chief and Ed Smith, Parks & Recreation Director.

Mayor Hough called the meeting to order and asked Councilman Hope to perform the invocation. The next item was to set the agenda for the meeting. The agenda was set, upon a motion and second by Councilmen Moore and Bishop, respectively.

Mr. Jackson stated that the expected approach during the meeting was to have staff seek direction from the City Council, in a way to help formulate the 2011-2012 budget. Mr. Jackson stated that as indicated by the agenda the discussion would involve the 2011-2012 Debt Schedule, Personnel Costs (salary increases, longevity and benefits), Staffing Requests and Fee Structure. Mr. Jackson informed the City Council that management staff had not reviewed any of the submitted department budgets. He indicated that staff wanted input from the City Council prior to that review and if necessary would make changes accordingly.

The first item for discussion was the Fiscal Year 2011-2012 Debt Schedule. Mr. Guffey, with the use of a written document as a handout for the City Council, reviewed the current debt status of the city. He talked about the time frame for certain projects being paid off. Mr. Guffey emphasized the fact that the upcoming debt structure would be less than last year's debt structure.

The next item for discussion was the Fiscal Year 2011-2012 Personnel Costs. Mr. Jackson stated that Mr. Guffey and Ms. Otis would review with the City Council such matters as any possible salary increases, longevity pay and employee benefits.

In regard to salary increases, the discussion involved merit pay, more specifically whether or not it is effective. It also involved the question of how many employees received merit increases during this year's budget. The City Council discussed the idea of proposing Cost of Living Adjustments (COLA) for all city employees in the new budget. There was a request for a breakdown of all employee salaries.

In regard to longevity pay, Mr. Guffey submitted a written handout detailing two options for longevity pay for employees. He stated that the first option is based upon an employee receiving an amount that is calculated by a certain percentage. The percentage is based upon number of years served. The other option was a flat fee based upon years served. The City Council asked for additional information such as seeing the actual numbers or dollar amounts of the each scenario.

In regard to benefits, Ms. Otis submitted a written handout as a part of the discussion involving medical benefits and costs. Ms. Otis called attention to the different plans for medical insurance. She also made mention that the City Council had set forth a plan to reduce the city's contribution to the family coverage to zero, which was scheduled to take place in the new budget. There was some discussion regarding not reducing the city's contribution in the new budget. The Council asked for a layout of all employees affected by medical insurance based upon the discussion of the coverage.

The next item for discussion was the Fiscal Year 2011-2012 Staffing Requests. Mr. Jackson stated that the submitted requests for personnel by the departments were preliminary in nature. He reminded the City Council that the requests were for information only and that if the City Council wanted to give input to staff it was their option to do so. The Council asked about job descriptions for some of the new positions. Mr. Jackson stated that job descriptions would be submitted before the next budget work session.

The next item for discussion was the proposed Fee Structure section of the budget. Mr. Jackson stated that customarily the city's various fees are adopted along with the budget. He also reminded the City Council that fees, unlike the tax rate, can be changed at any point during the year. He stated that as with all other discussion items staff is looking for input from the City Council, as a part of the continued budget preparation for Fiscal Year 2011-2012. There was some discussion regarding the matter but there wasn't any action taken.

The last item on the agenda was Other Items for consideration. Mayor Hough stated that he wanted to see if the City Council had any concerns regarding the proposed Budget Calendar for this year's budget process. The Council by consensus accepted the Budget Calendar.

The end of meeting discussion (Round Table) consisted of State shared revenue projections, in which Mr. Guffey indicated that preliminary projections appears to be up from last year. Mr. Jackson informed the City Council regarding term expiration on the Tourism Development Board (TDA). He indicated that the one year term of Robin Williams (Robin's Nest) has expired, resulting in the need for an appointment to the TDA. Mr. Jackson stated that the matter would be brought to the City Council at the next meeting.

Mayor Hough informed the City Council that the Crescent Resources request for rezoning and annexation would be held in April. Mayor Hough also informed the City Council that he has been asked to speak at the upcoming First Friday Focus, held by the Gaston Regional Chamber of Commerce. Mayor Hough stated that the subject of the meeting is county wide utilities.

Based upon a motion and second by Councilmen Moore and Toomey, respectively, the meeting was adjourned at 8:09P.M.