

BUDGET WORKSHOP MEETING – CAIRO MAYOR & COUNCIL – APRIL 26, 2010

The April 26, 2010 Workshop Meeting was held immediately following the Regular Meeting in the Council Room at City Hall with Mayor Richard VanLandingham presiding. Present were Mayor Pro Tem Lannis Thornton, Council Members Ernest W. Cloud, Jr., James H. Douglas, Kermit V. Gilliard, Jr., and Robert L. Gwaltney. Staff Members in attendance were City Manager Chris Addleton, Finance Director Miriam Faircloth, Admin. Asst. Judith Pinon, and City Clerk Carolyn B. Lee. Cairo Messenger Editor Randy Wind was also in attendance.

City Manager Addleton reported that Finance Director Faircloth had made some changes to the budget and had consolidated some pages resulting in a smaller book and more streamlined format. He presented an agenda outline which included summaries of the General Budget Overview, Budget Assumptions, Job Classification Pay Scale Review, Capital Outlay, Funding to Other Agencies, Budgeted Position Review, and Budget Calendar review. (Information to become a part of these minutes).

Budget assumptions included a pay scale review, a 14% decrease (approximately \$100,000) in retirement contributions, an increase in health care insurance premiums (amount to be provided in May), Electric Cities of Georgia cost of water and sewer service study, and water and sewer rate changes. He stated that, as a result of the study, he was looking at going to a “conservation” rate for water and sewer so that those who used more would pay more, providing relief to those customers who used less than 3,000 gallons of water per month. City Manager Addleton was not proposing an increase in taxes or utility rates. There was no request for additional personnel positions. With regard to the increase in health insurance premiums, Council discussed looking at various options to help lower the premiums. Due to the high claims rate, self insurance was not considered an option. City Manager Addleton and Human Resources Director Carolyn Meades had already met with the insurance representative, and Mr. Addleton offered to have him meet with the Council to discuss options.

The summary of all funds requested by departments totaled \$36,427,096, with \$35,780,084 receiving City Manager approval, resulting in a decrease of \$922,786 for FY 2011. Some reasons for the decrease included elimination of the Milestone debt and less projects planned. Departments requested \$5,906,550 in capital outlay items, with \$5,486,550 receiving City Manager approval. With regard to those items, Council discussed looking at some cost-cutting ideas including buying “used” rather than “new” vehicles and bidding the total cost of a project that was to be completed in more than one year. Also discussed was whether to pay off the debt for the Grady Cultural Center, so that the Center could pay for the much-needed roof repair, or vice versa.

Funding remained the same as last fiscal year for the Roddenbery Memorial Library, Ferst Foundation, and Downtown Development Authority. Library Director Alan Kaye had requested that the City also pay for utilities for two years (bills had totaled approximately \$35,000 annually) and grounds maintenance (\$4,800). The consensus of Council was not to pay for utilities, but to have Mr. Kaye present a cost-cutting proposal to the Council. Funding for the Joint Development Authority, Holder Park Pool, and the Downtown Façade Fund showed proposed increases. Agencies receiving a small reduction in funding were the Holder Park Youth Center (utilities/maintenance) and Keep Cairo-Grady County Clean and Beautiful. The Neutral Zone had closed, so no funding was appropriated for that agency.

City Manager Addleton reviewed the Strategic 5-Year Capital Plan with Council Members and requested their feedback. With regard to the proposed pay scale, he noted that the lower-paid employees would benefit more than others since the current pay scale had not been changed since minimum wage was increased. Adding that no pay increase was given last year,

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he wished to see if he could find funding to add a minimum 2% increase. Applied to the proposed pay scale, the increased wage cost was estimated to be \$200,000 to \$250,000, depending on any cap that might be set. Adding an amount for raises would hinge on the increase in health insurance premiums and whether they could be lowered.

In closing, City Manager Addleton reviewed the budget calendar with Council and requested that any questions that they might have be presented to him by May 3rd, so that the final proposal could be ready by May 17th.

ADJOURN: There being no further business, the meeting was adjourned.

APPROVED:

**RICHARD VANLANDINGHAM
MAYOR**

ATTEST:

**CAROLYN B. LEE
CITY CLERK**