

REGULAR MEETING – CAIRO MAYOR & COUNCIL – NOVEMBER 24, 2014

The November 24, 2014 Regular Meeting was called to order at 6:00 p.m. in the Council Room at 101-B North Broad Street with Mayor Robert B. Burns, Sr. presiding. Present were Mayor Pro Tem Lannis Thornton, Council Members James H. Douglas and Kermit V. Gilliard, Jr. Council Members Ernest W. Cloud, Jr. and Robert L. Gwaltney were not present. Staff Members in attendance were City Manager Chris Addleton, City Attorney Thomas L. Lehman, and City Clerk Carolyn Lee. Cairo Planning Commission Members Larry Brown and James Gerth were also present. Cairo Messenger Editor, Randy Wind, was also in attendance.

INVOCATION: The Invocation was given by Councilman Thornton.

APPROVAL OF AGENDA: Motion to approve the agenda was made by Councilman Thornton, seconded by Councilman Gilliard, and unanimously approved by all Council Members present.

APPROVAL OF MINUTES: Regular Council Meeting – November 10, 2014. Motion to approve the minutes as submitted was made by Councilman Douglas, seconded by Councilman Thornton, and unanimously approved by all Council Members present.

DELEGATIONS:

1. Steve O’Neil – Southwest Georgia Regional Commission – Comprehensive Plan. Mr. O’Neil presented information in regard to updating the Comprehensive Plan required for local governments to retain their “Qualified Government” status with the State of Georgia. The completed plan would need to be adopted by October 31, 2016 by all three local governments. Mr. O’Neil outlined the various steps that were needed to prepare the plan which would include community involvement, consideration of plan elements and criteria, public hearings, and transmittal to the Regional Commission and DCA for review.

2. Tom Carmichael, Jr. – Carr, Riggs & Ingram, LLC –FY 2014 Financial Audit Presentation. Mr. Carmichael expressed his appreciation to City officials for their cooperation in providing information for the audit. He explained their approach and the standards required in performing the risk-based audit. Some audit procedures involved compliance testing of sales tax experience, testing of accounts receivable and revenue recognition, as well as testing of accounts payable and for unrecorded liabilities. Revenue for FY 2014 in the General Fund was \$4,375,000 which was greater than the projected amount of \$3,935,000, mainly due to three sources: \$168,000 additional property taxes, an unbudgeted grant in the amount of \$173,000 that was received by the Fire Department, and \$126,000 on stop loss proceeds relating to the Self-Insured Health Insurance. Expenses came in under the budgeted amount of \$7,002,000 at \$6,785,000 due mainly to \$34,000 under budget in the Finance Department, \$56,000 in the Police Department, \$22,000 in the Code Enforcement Department, and \$76,000 in Cemetery & Parks. The deficiency was \$2,410,000 before operating transfers of \$3,988,000 rolled in from the Enterprise Funds, and \$1,545,000 transferred out; resulting in a surplus of \$33,000 in the General Fund and an ending balance of \$3,758,000. Regarding the Water & Sewer Fund, revenues were up at \$2,979,000 over 2013 and expenses went down to \$3,490,000. Timber sales of \$321,000 at the LAS site were included in revenue, and expenses decreased by \$145,000 for Parts and Supplies and \$55,000 for Equipment Rental. There was an operating loss of \$511,000. After transfers in and out, the result was a surplus of \$524,000 and a net position at end of year of \$10,369,000. There was a significant increase in the Electric Fund revenues over 2013 to \$18,406,000 due to an overall increase in service revenues of \$600,000 and \$630,000 in MEAG Trust Fund earnings. Expenses also increased to \$14,383,000 for an operating income of \$4,023,000 before transfers in and out that resulted in a surplus of \$1,579,000 and an end-of-year position at \$14,992,000. He noted that the transfer-out amount had dropped compared to previous years. The Cable TV Fund had increased in revenue to \$2,867,000, while expenses decreased to \$3,066,000. There was an operating loss of \$199,000, and after transfers and a

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gain on the sale of assets, there was a surplus of \$290,000 and a negative net position of \$3,661,000, which was an improvement of loss over 2013. He also advised that the total long-term debt had decreased to \$16,555,000 which included revenue bonds, capital leases, notes payable, landfill closure, and compensated absences. In addition to the audit report, a separate report would be submitted that addressed significant audit findings and any corrected and uncorrected misstatements. There were no difficulties or disagreements with management noted. Internal control matters would address segregation of duties, fund balance rollover, bank reconciliations, inventory, and establishment of an Internal Service Fund for Self Insurance. The final, bound draft of the audit would be presented for approval at the December 8th meeting.

SPECIAL EVENTS:

OLD BUSINESS:

NEW BUSINESS:

Adoption of Ordinance to Re-Zone Parcel Located at 121 2nd Ave., NE (Tax Map C20, Parcel 56) from CBD (Central Business District) to C-1 (Neighborhood Commercial District). The ordinance was introduced at the last regular meeting. Motion to adopt the ordinance was made by Councilman Gilliard, seconded by Councilman Douglas, and unanimously approved by all Council Members present.

Adoption of Ordinance to Re-Zone Parcel Located at 201 2nd Ave., NE (Tax Map C20, Parcel 57) from I-1 (Light Industrial District) to C-1 (Neighborhood Commercial District). The ordinance was introduced at the last regular meeting. Motion to adopt the ordinance was made by Councilman Gilliard, seconded by Councilman Thornton, and unanimously approved by all Council Members present.

20th Street NE/SE Resurfacing from Highway 84 to Joyner Road. It had been determined that full-depth reclamation would be needed to build a suitable base before paving, and construction was estimated to cost \$457,104. The street was 58.3% within the city limits and 41.7% in the county. Ga. DOT would be approached for partial funding because of the economic development impact. The proposed local contribution would be split three ways: Joint Development Authority - \$25,000, Grady County - \$31,252.50, City of Cairo - \$43,747.50 (SPLOST), contingent upon funding from DOT. Council Members discussed whether this project was the most needed; and if so, it would need to be done with or without a grant. After discussion, motion to commit the \$43,747.50 funding was made by Councilman Douglas, seconded by Councilman Thornton, and unanimously approved by all Council Members present.

Vote on Recommended Budget Amendments for FY 2013-2014. Finance Committee Chairman Douglas noted that most of the amendments were a result of cleanup of due to and due from accounts. After discussion, motion to approve the FY 2014 amendments as presented was made by Councilman Douglas, seconded by Councilman Thornton, and unanimously approved by all Council Members present.

Cairo Development Authority Board Member Appointments. City Manager Addleton recommended reappointment of Mr. Charles Stafford, term to expire 10/31/17; and Mr. David Stallings, term to expire 10/31/16. After review, motion to approve the reappointments as recommended was made by Councilman Thornton, seconded by Councilman Douglas, and unanimously approved by all Council Members present.

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Cancelling or Rescheduling of the Council Meeting Scheduled for December 22, 2014 – Due to Christmas Holiday. After review, motion to cancel the December 22nd meeting was made by Councilman Douglas, seconded by Councilman Gilliard, and unanimously approved by all Council Members present. If needed, a special meeting would be called.

OTHER BUSINESS:

Reports:

1.) Departmental Reports: Water Loss Report. Council reviewed the reports, with City Manager Addleton noting that the October report showed a 26% loss, with a 22.5% loss over a three-month period.

2.) Consider Finance Report for the Month of October 2014. After review, motion to approve the report was made by Councilman Douglas, seconded by Councilman Gilliard, and unanimously approved by all Council Members present.

3.) City Manager Addleton:

- Presented a sample mailer to go out to customers regarding telephone billing. Effective January 1, 2015, the Universal Access Charge of \$.60 per month that the City had previously been absorbing would be passed along to customers. Councilman Douglas pointed out that the fee did not come to the City as revenue but was sent the Public Service Commission.
- Received the executed GEFA \$3.5M loan documents in the mail this day, so the water project could now get started.

4.) Reports from Mayor & Council:

- None

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

APPROVED:

ATTEST:

ROBERT B. BURNS, SR., MAYOR

CAROLYN B. LEE, CITY CLERK