

## **BUDGET WORKSHOP MEETING – CAIRO MAYOR & COUNCIL – MAY 5, 2008**

The workshop meeting was called to order at 5:00 p.m. on May 5, 2008 in the Council Room at City Hall with Mayor Richard VanLandingham presiding. Present were Mayor Pro Tem James H. Douglas, Council Members Ernest W. Cloud, Jr., Kermit V. Gilliard, Jr., Robert L. Gwaltney, and Lannis Thornton. Staff members in attendance were City Manager Christopher Addleton, City Clerk Carolyn Lee, Executive Asst. Donna Young, Finance Director Cecil Rash, and Fire Chief Donald Towne. Cairo Messenger Editor, Randy Wind, and Times Enterprise Reporter, Teresa Williams, were also in attendance.

**INVOCATION** – Mayor VanLandingham gave the Invocation.

Mayor VanLandingham welcomed back newly hired City Manager, Christopher Addleton. He also reminded Council Members of the District meeting

### **REVENUE SUMMARY AND COMPARISON:**

City Manager Addleton noted that most revenue increases were growth-related, adding that 2.2 million dollars had been taken out on the first cut by Finance Director Rash, Energy Services Director Rod Prince, and Exec. Asst. Donna Young; and he projected that he would be taking out another \$100,000. The total projected revenue was under expenses by \$1,217,341, and after unfunded depreciation showed a shortfall in revenue of \$66,277.

Councilman Douglas inquired regarding the \$1,400,000 rate increase in the Electric Fund, with City Manager Addleton responding that Energy Services Director Rod Prince had gotten some information from Georgia Power and indicated that rates had increased every year since 2004, with two in 2008 making a 37 ½% increase. Mayor VanLandingham added that the net margin on electrical was supposed to be 4.2 million dollars this year but would only reach 3.4 million according to the tracker report. Rates had not been raised, and no one realized what the margin was until his meeting last week with Mr. Prince and Finance Director Rash. Director Prince was not present at the meeting, but Mayor VanLandingham had requested that he supply further information. Councilman Douglas remarked that there was either not enough power sold or not enough increase in the power cost adjustment which was to be calculated on monthly billings. He added that he would not be in favor of an increase in rates. Council discussed a rate increase versus a power cost adjustment. Referring to the electric margin tracker, Council asked why increases in power costs had not been factored in, noting that the difference could not be made up now in the three remaining months. It was noted that the graphs that had been received each month had appeared to be on target, but the figures at the top did not match and needed to be verified. City Manager Addleton stated that he would also like to look at EMC rates. Mayor VanLandingham noted that any changes made on the revenue side would change the expense side also. Councilman Gilliard inquired as to who was responsible for monitoring the power cost adjustments, as well as the \$1 surcharge for the fire truck that was not implemented. The gas tracker also reflected that more was budgeted than was sold.

Council discussed 2008 SPLOST funds, with Councilman Douglas noting that the City had agreed to pay its portion for the joint projects such as the pool, hospital, and historical society, with Mayor VanLandingham adding that the hospital project would not be done for two years. Mr. Rash stated that he had obtained a sheet from County Administrator Rusty Moye but it was not known if the SPLOST funds would have to go toward those projects first or what would be paid out of the bond. Mr. Rash was asked to get this clarified with the County.

### **EXPENSES:**

**Mayor & Council.** Regarding the laptop computers for the Council, Councilman Gwaltney commented that going to a paperless agenda would save costs on paper and copies.

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**City Manager.** City Manager Addleton advised that he had proposed that a compensation pay plan be done by the Carl Vinson Institute at a cost of \$6,000.

**Building.** Council discussed the \$25,500 proposal for a new truck and requested that this amount be lowered to \$15,000 and also that standard specifications be set for future purchases of City vehicles. Councilman Thornton remarked that too much had been paid for a vehicle purchased last year.

**Police.** Council requested to know why the original proposal for replacement of carpet had increased from \$6,000 to \$12,000.

**Finance.** Finance Director Rash had requested a replacement of the AS400 computer. He stated that the unit was six years old, and more space was needed. Councilman Douglas noted that, when Thomasville's billing program was implemented, it should free up space so that should not be a problem.

**Fire.** The mini-pumper had been cut, as the current one was being repaired. Council Members Cloud and Douglas commented that they felt the ladder truck (\$500,000) should be put back in the budget. Finance Director Rash stated that there was approximately \$47,000 generated from the tax millage for the fire truck fund, with Council discussing financing the truck for 10 to 15 years. Chief Towne reported that the vehicle that was requested would replace the 1999 Ford Explorer which was on its second engine, with Council requesting that the cost for the vehicle be reduced. Council verified that the \$7,000 hose would be left in the budget.

**Community Services - Admin.** Council requested that the projected cost for the pickup that would replace the present car be checked.

**Community Services - Cemetery & Parks.** Council asked City Manager Addleton to assess the need for the side arm mower.

**Community Services – Shop.** Council requested that the cost of the truck be reduced. Council also discussed the passing down of older vehicles, noting that the procedure sometimes added more expense. Councilman Cloud noted that the cleaning crew was in need of a vehicle to travel from one department to another.

**Community Services – Streets/Sidewalks.** Regarding the 11<sup>th</sup> Ave. project, City Manager Addleton recommended going ahead and purchasing the pipe, with the project to be completed in three phases. The EJD Building project had been removed. Councilman Cloud noted that the 4<sup>th</sup> Ave., SW project had been budgeted for two or three years and was still not done. Ms. Young reported that it was on the priority list for this year. Mayor VanLandingham asked that follow-up be done on that matter. It was noted that part of the Southside project was completed but the holding pond was not yet done. Councilman Cloud inquired whether the School Board had paid for part of the costs, and Mr. Rash was asked to follow up.

**Landfill.** City Manager Addleton noted that most items in this department were mandated projects, but he did recommend an increase in tipping fees. Finance Director Rash stated that part of these costs would be reimbursed from the Hazardous Waste Trust Fund, adding that there was between \$1,500,000 and \$2,000,000 in the Landfill Restricted Account.

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**Airport.** Councilman Cloud asked if there would be any worth to the timber that needed to be cut, with City Manager Addleton responding that there would not be. Grants would fund 97.5% of land acquisition costs.

**Electric.** Councilman Douglas noted that the Sensor Link for Amcorder would not be a capital outlay item.

**Water Distribution.** Council asked that the cost for the truck be reviewed. City Manager Addleton stated that he would like to put \$125,000 back in for demolition, site preparation, and plans for the Public Works/Community Services building. Councilman Cloud inquired as to whether DOT would still complete the Joyner Road project, with Ms. Young responding that the bid opening was set for May 6<sup>th</sup>.

**Sewer.** It was noted that the sewer machine purchase was related to inflow and infiltration. Councilman Cloud asked that a request be made to the State to help with the costs to correct the problem at Highway 111 and Grant Ave. He also requested that money to be used for the 13<sup>th</sup> Ave. project be transferred to the 4<sup>th</sup> Ave., SW project, as many people walked from the school and there was heavy traffic and deep ditches in that area. It was also suggested that this item be moved from Sewer to Streets/Sidewalks.

**Wastewater Treatment Plant.** Council discussed and asked to see if an older mower should be passed along to the plant if it was not to be used often.

**Water Pumping & Treatment.** Councilman Cloud asked if the costs for the groundwater storage tank included the purchase of the property, with Mayor VanLandingham responding that it did. Council requested that Engineer Watkins present an update to the Council and to move ahead on this project.

Mayor VanLandingham outlined the changes that had been requested and also noted that Energy Services Director Prince would be asked to provide a full understanding on the cost adjustment. Council discussed further rate increases versus power cost adjustments, with Councilman Gwaltney noting that the problem was caused by the adjustments not being done, but the difference could not be made up in three months.

Councilman Cloud asked that the \$1.00 surcharge be added to water bills to generate \$45,000 to \$50,000 annually. Council discussed and asked City Manager Addleton to look at and recommend if this revenue should be derived by a surcharge, or a percentage of the tax millage.

Council discussed the shortfall in the budget, with Director Rash confirming that the \$1,564,951 amount included transfers, and that the transfers were included in the electric expense. Councilman Douglas noted that it would be wise to separate transfers in and out and also asked for a breakdown on principal and interest. He also requested to know if MEAG and MGAG had done any rate studies.

Council also discussed closure and post closure of the landfill and whether fees in this area, as well as other areas, were recovering costs.

City Manager Addleton stated that he was looking at a 3% increase in salaries, with \$.50 for lower paid employees up to a point on the pay scale, and would like to have a complete salary survey done. Councilman Douglas suggested looking at \$.50, \$.60, and \$.70 as compared to a 3% raise.

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Councilman Cloud asked that the cost impact be considered to offer an early retirement for employees.

**EXECUTIVE SESSION:**

At 6:50 p.m., motion was made by Councilman Gwaltney, seconded by Councilman Thornton, and passed unanimously by all Council Members to enter into Executive Session to discuss personnel (O.C.G.A. § 50-14-3(6)). Present for the session were Mayor VanLandingham; Council Members Cloud, Douglas, Gwaltney, Gilliard, and Thornton; City Clerk Lee; and Exec. Asst. Young. When the session ended, motion was made by Councilman Gwaltney to go out of Executive Session. Motion was seconded by Councilman Thornton and passed unanimously by all Council Members.

There was no action taken as a result of the session.

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

**APPROVED:**

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**RICHARD VANLANDINGHAM  
MAYOR**

**ATTEST:**

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**CAROLYN B. LEE  
CITY CLERK**