

SOUTH FULTON CITY COMMISSION
SOUTH FULTON, TENNESSEE
November 4, 2005

AGENDA

Budget Workshop

MINUTES

CALL TO ORDER

The meeting was called to order by Mayor David James on Friday, November 4, 2005 at 8:30 a.m. for FY2005-06 budget workshop.

ROLL CALL BY RECORDER

Roll call was taken by City Recorder Debbie Beadles. Present were D James, R Haskins, W Kane, C Moody, T Pettigrew, K Dillon, K Ivey, C Martin, T Legins, auditor.

FY2005-2006 BUDGET WORKSHOP

Commissioner Moody stated the city is operating in a deficit in General Fund with fund balance of negative \$2.225 million through June 2004.

Ms. Dillon presented proposed budget to board citing Fire Department expenditures of \$108,965, Police Dept expenditures of \$350,244, Street expenditures of \$190,011, and administrative/city hall expenditures of \$142,228, with salaries split between general, water, sewer and gas funds. She stated capital improvement of \$150,000 is included for Forestdale Bridge. She removed the one payment to TML. She stated revenues generated by Police Dept include \$77,649.

Ms. Dillon proposed property tax rate of \$1.60 per \$100 assessed value. She stated the rural fire fund showed a deficit in audit of 2004 of \$26,915. She stated rural fire annual membership fee is \$75. She stated the board could increase fee by \$25 or she could put salaries back into general fund, but would need to generate additional \$50,000. She stated there are 803 rural fire members to date.

Commissioner Kane gave some statistics he had received from Sheriff including that South Fulton answers more calls than any other city in the county. He stated the county is down two officers. Commissioner Moody stated live wire radio report does not indicate that to be true. It was stated that all calls must not be reported on the radio.

Mr. Legins, auditor, stated city has a 93% collection rate for city taxes over a two-year period. He also stated for every 1cent increase \$19,500 is generated.

Ms. Dillon stated State Street Aid fund generates about \$71,000 annually and city needs to pave some streets. She stated she figured Sewer Fund with three employees as she had no other figures which to base budget. She stated it is very risky to base rates on

usage, need to base numbers on base rate. She stated it is not in the city's best interest to increase commercial rates more than residential rates.

Mayor James stated he and Commissioner Moody and Ms. Dillon met with Jim Sanders, USDA and Gaylon Long, County Mayor to review options of city's financial situation. It was decided that only option is to go with Public Building Authority.

Ms. Dillon stated the board needs to set tax rate as charter sets collection dates from October 3 through February 28. She stated public hearing will have to be set before second reading of budget ordinance.

There was discussion regarding personnel issues in the police department. Ms. Dillon stated Chief Crocker had not notified her of any concerns. Commissioner Moody stated Chief Crocker told him he would rather eliminate dispatcher than officer and he could bring drug task force officer back. Ms. Dillon stated city received COPS grant where \$75,000 is paid for officer over a three-year period and city agreed to keep officer on board after grant period ran out and is not factual that city will no longer receive grants.

Ms. Dillon requested board part-time person to work as building inspector. She stated cost of certification is \$5000. She stated Ferry Morse building is not up to code.

INCREASE CITY STICKER FEE

Commissioner Haskins moved to increase the city sticker fee to \$20. Commissioner Kane seconded the motion. All voted aye. Motion carries.

INCREASE PROPERTY TAX RATE

Commissioner Moody moved to increase property tax rate to \$1.70. Commissioner Haskins seconded the motion. In roll call vote, Commissioner Haskins, Kane, Moody and Pettigrew voted aye. Mayor James voted nay. Motion carries with 4-1 vote.

APPROVAL OF GOVERNMENTAL FUNDS

Commissioner Kane moved to approve all governmental funds as presented. Commissioner Moody seconded the motion. In roll call vote, Commissioner Moody seconded the motion. In roll call vote, Commissioners Kane, Moody, Pettigrew and Haskins voted aye. Mayor James voted nay. Motion carries with 4-1 vote.

Ms. Dillon stated the water fund will show a deficit of \$230,434 based on today's rates. In discussion, it was suggested \$0.84 per thousand gallon increase, \$15.50 base rate in city and \$20 base rate in rural. Ms. Dillon stated Don Thornton, City Manager of Union City, was not interested in South Fulton's water system, but did call later.

WATER RATES

Commissioner Kane moved to increase water rates to \$16.10 city base fee and \$20.60 rural base fee and \$2.16 per thousand gallons of water in city and \$3.24 per thousand gallons of water in rural across the board. (At present, rates are graduated depending upon usage.) Commissioner Haskins seconded the motion. In roll call vote, all voted aye. Motion carries. (Commissioner Moody was not present.)

SEWER FUND

Commissioner Haskins moved to increase sewer rates to \$30.57 base fee. Motion dies for lack of a second.

In discussion, board did not want to increase sewer base more than \$20.00 and asked that city manager look to reduce \$80,000 in sewer expenses.

GAS FUND

Ms. Dillon stated city's cost for gas is \$14.09 compared to \$5.89 last year. She recommended using same billing rate schedule to figure base rate average usage per household and that amount would be \$35.18 per month. In discussion, board stated profit margin last year was \$2.11, would look at \$4.00 for base amount of \$18.09 round up to \$19. There was discussion about reducing rent income for the municipal complex, not replace police officer, elimination of position in fire dept (ISO rating affected). The board asked city manager to take a few days to look at these numbers and would meet in special session on Wednesday, November 9th at 6:00 p.m. to finish budget.

ADJOURNMENT

Commissioner Haskins moved to adjourn at 3:50 p.m. Commissioner Kane seconded the motion. All voted aye. Motion carries.

ATTEST: _____ APPROVED BY: _____
RECORDER MAYOR