

BUDGET, FINANCE AND PERSONNEL COMMITTEE

June 29, 2010

4:10 P.M.

Councilwoman Berz, Chairwoman, called the meeting of the Budget, Finance and Personnel Committee to order with Councilmen Murphy, Scott, Rico, Benson, Gilbert, Ladd, Robinson and McGary present. City Attorney Michael McMahan and Shirley Crownover, Assistant Clerk to the Council, were also present.

Others present included Mayor Littlefield, Dan Johnson, Richard Beeland, Officer Kennedy, Beverly Johnson, Sandy Coulter, Missy Crutchfield, Paul Page, Danny Thornton, Greta Hayes, Gary Hilbert, Mark Keil, Barry Bennett, Jerry Stewart, Joachim Volz, Bill Payne, Chief Parker, Lee Norris, Steve Leach, Jim Templeton, Bob McGee, Daisy Madison, Randy Ray, Vickie Haley, Tom Dugan, Fredia Kitchen, Simone White, Beverly Cosley, Larry Zehnder and Dickie Hutsell.

Chairman Berz stated that the committee would continue with the discussion concerning Parks and Recreation.

Mr. Johnson stated that they were looking for a couple of hundred thousand dollars and found \$200,000.

Chairman Berz wished to vote on the \$.37 tax increase and putting money back into the Parks and Recreation budget to get the centers back and also the hours.

Councilwoman Robinson voted “yes”.

Councilman Benson voted “yes”.

Councilwoman Ladd voted “yes”.

Councilman Gilbert voted “yes” for Parks and Recreation but “no” for the \$.37 increase.

Councilwoman Scott voted “no” for the \$.37 increase.

Councilman Murphy noted that a vote for one was not necessarily a vote for both.

Chairwoman Berz explained that we were putting the \$421,000 back into Parks and Recreation that was cut the first time. Mr. Johnson noted that we reduced the rate last year. Councilman Murphy stated that we would reopen the Carver Pool and also Frances Wyatt.

Councilman Murphy voted “no” to the \$.37 increase.

Councilman McGary voted “yes” to both.

Chairwoman Berz voted “yes”.

Chairwoman Berz stated that we were through. Councilwoman Scott stated that she did not know that we were through. Chairwoman Berz asked if there was other discussion in other areas?

Councilman Murphy agreed that we were not “through”, stating that he had questions about the Budget—that we might not change anything; that he did not want us to touch the Reserve and asked Ms. Madison if there was anything “hard and fast” saying we could not.

Ms. Madison responded that we could never say for sure that we won’t dip into the Reserve; however the Reserve is dangerously low. She stated that she could not speak for the agencies, but we are coming dangerously close; that there were several economic indicators including the level of Reserve, the level of Liability; that one good economic indicator was if it were the political will of the Legislative Body to raise required revenue. She noted that we had not done this for nine years, but there are understanding people; that we have to have the ability to raise revenue as costs increase; that this will affect rates on our future borrowing and the ability to re-finance.

Chairwoman Berz stated that before we close down, we are now ready to start on the Capital Budget next week and asked about copies. She asked Ms. Madison what other information the Council needed?

Ms. Madison handed out a sheet entitled “**Major City Funds**”, which is included in the Ordinance and packet. This designates the dollars that have to be used for them. She stated that we had essentially acted on these in principle.

Chairwoman Berz stated that relative to the Capital Budget, we will start deliberations next Tuesday.

Councilman Gilbert asked what time? Chairwoman Berz stated that if other information was needed to let Ms. Madison or Mr. Johnson know. She asked if the Council wanted to meet at 10:30 a.m. or 1:00 p.m.? Councilman Rico stated that 10:30 was fine with him; that Councilman McGary could be present then, with Councilman McGary questioning if this would present a problem for Councilman Gilbert. Councilman Rico suggested that Councilman Gilbert “get here when he can”. Chairwoman Berz stated that we could go as long as 2:00 P.m., with Councilman McGary stating that he could not. Councilwoman Berz stated that we could start at 10:30 a.m., with Councilman Rico saying “like we did today”.

Chairwoman Berz asked about having sandwiches? Councilman Benson stated that he would bring his own lunch. Councilwoman Robinson agreed that sandwiches should be brought in.

Chairwoman Berz stated that we would start next Tuesday at 10:30 a.m. and work on through. She asked if there were any further questions; that if so, Councilmembers should talk to Dan Johnson or Daisy Madison.

Councilwoman Scott stated that she had some suggestions about going forward with other revenue and keeping on track. She suggested reducing our purchasing limit amount from \$10,000 to \$7,000. She also asked that the Council get a list of property assets currently available—properties for sale—with the list including properties we are leasing and how this transfers to dollars. She also asked for an update of the Tourist Development Zone where we are paying off debt and what it includes. She stated that this could be at an educational time. She stated that she would like to have quarterly reports from the Finance Office to show where we are in the budget, where we are with revenues, how we are doing, and what is coming in and going out. She stated that this was something most businesses do; that Ms. Madison knows all this but she (Councilwoman Scott) did not know quarter by quarter, and we need this information to have in mind when voting.

Chairwoman Berz summarized that she wanted user fees, property assets, raising the Hotel-Motel tax to 5%, getting surplus property back on the tax roll, Lease dollars, Upstate on Tourist Zone, and quarterly reports from the Finance Officer. Councilwoman Scott stated that this could be put together by the Council's Management Analyst.

Councilman Benson mentioned user fees for non-city residents. Chairwoman Berz stated that the Council needed to contact the departments that were involved.

Councilwoman Scott wanted information specifically on the Chattanooga and an appraisal for the Chattanooga.

Ms. Madison stated that they would provide what they could; that requests should be sent through Mr. Johnson or herself.

Chairwoman Berz stated that she had all of this down and would get with Ms. Madison and then get back with the Council.

Councilwoman Robinson asked about the decline in the automated traffic cameras.

Chairwoman Berz stated that everyone had worked extremely hard, and we still had much ahead of us.

The meeting adjourned at 4:30 P.M.