

**SAVANNAH CITY COUNCIL
BUDGET MEETING
SEPTEMBER 16, 2015
CITY HALL
6:00 P.M.**

Mayor Connie George presiding.

The Pledge of Allegiance was recited.

Council Members present: Don Dillman, Kenny Maxwell, John Parker and Joy Thompson. Mayor Connie George, City Administrator Bruce Lundy, City Clerk Beth Kar, City Attorney Emily Bauman, and Chief of Police David Vincent were also present. The department supervisors were present to review their sections of the budget. The meeting notice was posted at City Hall September 15, 2015. The meeting was audio recorded.

Approval of Agenda – John Parker motioned to amend the agenda to discuss the bids for wastewater truck. Don Dillman seconded. Motion carried on 4 yes votes.

Bids: Wastewater Truck – Two bids were received. Greg Chevrolet: \$34,752 for 2015 Chevy Silverado 4 x 4 reg cab long bed. Walton Ford bid: \$23,394 2016 F250 4 x 4 reg cab long bed. Don Dillman motioned: to approve Walton's \$23,394 bid for a 2016 Wastewater truck. John Parker seconded. Motion carried on 4 yes votes. The item was in the current 2015 budget.

Discussion FY 2016 Budget

Tionna Pooler, Financial Advisor described the process for reviewing the water and sewer rates. She will need to spend more time on numbers before recommending rates. She does not want to say more of a rate increase than is needed. Next steps include: collection of Fiscal Year 2015 yearend figures, creation of an updated capital plan, realignment of the cash balances to include capital plan and report balances to see how much is available for future capital plan purchases versus debt payments. She needs to review water and wastewater bond conveyances too. She would like to see a capital fund for future projects. Then rates will fund on annual basis toward the capital fund. The City will start the new budget year and make any rate increases this fall. The last rate increase was discussed as well as reporting on billed versus gallons pumped. Council asked questions about the rates review process. Pooler explained when she makes rate recommendations; it is beyond just one fiscal year. There are ongoing moderate rate increases over time on a long term basis and this generates enough revenue to set aside money in a capital plan. This process would accumulate dollars in an account so the City potentially does not have to borrow or at least would have funds to apply to the capital needs and borrow for the rest. John Parker asked how the City was going in comparison to the previous fiscal year. Water consumption has been down this year because of the wetter weather. The City needs to figure in a contingency plan for weather and consumption variations. This whole process will give the City that ability. Pooler wants to understand better the billed gallons and that includes looking at the completed fiscal year.

Capital Requests – Council discussed the definition of what should be considered a capital request. Don Dillman thought a project like replacing sewer line would be on the list as opposed to some of the maintenance items. Each department supervisor described his capital requests list for the FY2016 budget. **Police & Fire** – Chief of Police David Vincent listed his requests. City Administrator Bruce Lundy listed the MIRMA grant applications this year for an In Car

Camera and Stop Sticks with the city share being \$2,000. The City will not purchase the items unless awarded the grants. John Parker asked about body cameras. Some function and some do not. Parker would like the cameras to be fixed and if too costly, replaced. Depending on the costs, it will be added into repairs and maintenance then amend the budget if needed. If needed, the police sales tax allotment could even be used. Fire – Interim Fire Chief Vincent explained that there were new firemen and they needed new turnout gear. The Recommended life of turnout gear is 10 years. In the budget, \$20,000 of the fire department’s \$30,000 will be used for turnout gear and \$10,000 set aside for future purchase of a fire engine. **Street** – Director of Public Works Kenny Lance purchased the used dump truck he had previously planned for FY16. The City will need a trailer to haul the skidloader, and an excavator for water and sewer leaks. Decision was made to later sell or keep the older trailer. Trailer cost will be split between departments that use it: 1/3 each street, water, and wastewater. The rest of his requests are for snow removal which and these are needed every year unless the City has a mild winter where don’t have to use them.

Parks – Park Manager Donnie Knorr listed the parks requests. He changed mower to \$16,000. Park Board approved their FY2016 budget at their last meeting.

Water – New Water Superintendent Jason Mercer described the requests including the Scada software upgrade. The Scada computer system is basically the brains at the plant. The software is outdated. Chlorine deteriorates computers. Waldinger quoted a little less than \$20,000 plus providing simplification and a more efficient system. Mercer explained that to protect the system from chlorine the computer system would have to be moved to another building and the operators need the accessibility where it was located. The City has had the system 7 years. Recommend to plan to replace it every 4 or 5 years. Waldinger has a different operating system but it works the same. Retiring Water Superintendent Dale Watson reminded everyone that in three years it will be time again to paint the Messick Tower.

Wastewater – Wastewater Superintendent Jason Long explained his budget requests. Some items like the sludge hauling might not be needed if internal staff can do them but he wanted to budget just in case. New hire Russell has been busy land applying the sludge. Motive pumps are \$35,000 each. Discussion was held whether to finance for all three or replace one a year. Don Dillman asked if any grants were available through Mo-Kan. Long reviewed the rest of the requests. Director of Public Works Kenny Lance described an issue with 16th street lift station to swim pool. Temporary pumping would be set up while it was fixed. **Cemetery** -- The Cemetery fund is very low. The City will look into advertising since rates came down. Weed eaters were removed from the budget. Cemetery needs a commercial mower. Last one purchased was not heavy duty enough. Mower request needs changed to \$15,000. City will get bids on a commercial grade mower. **Clasbey** – The fund is low. City Administrator Bruce Lundy and Building Inspector Mike Malhiwsky are monitoring to make sure air conditioning is not running nonstop if renters do not turn the air back. Golf General Manager Mark Christopher mentioned the bathroom at ball fields is broken. Kids were using Clasbey Center as a public bathroom. The City needs to make sure the door is locked. Girl Scout cabin—not sure who owns it. Harold Morgan has group of volunteers who will fix the roof if someone would buy the shingles: \$3,000. Joy Thompson suggested asking Messick Trust fund for help. Joy Thompson motioned to approve the Capital Requests with recommended changes. Don Dillman seconded. Motion carried on 4 yes votes.

Personnel – John Parker asked if Council needed to discuss the one individual employee pay rate request in closed session. City Attorney Emily Bauman advised Council did not have to go into Closed: it was not a reprimand or promotion. City Administrator Bruce Lundy described the General Fund is tight. Three options are listed for pay rate increase: 1) 2% or 2) total all at 2%

and divide by total employees or 3) \$1,000 across the board. Lundy recommended the newest hire police officer pay be raised \$0.75 cents/hour. Recently new water and wastewater operators were hired at appropriate pay rates but the police officer needs raised to keep him inline with pay schedules. Raise \$0.75 hour to bring him up to what needs to be. The officer would receive \$0.75/hour increase instead of the option approved for rest of employees. City Administrator Bruce Lundy also recommended putting item on ballot to increase 1 cent sales tax for General on April election. Current sales tax rate is 8.425% of which 2 cents is City's share. 17 years ago is too long since the last increase and doesn't take into account all of the other raised costs. Don Dillman would rather see option 3 and cut back expenses if needed. It is basically a cost of living raise. John Parker motioned and Don Dillman seconded to adjust police officer's salary 0.75 cents per hour and then exclude them from other raise. New rate: \$28,400. Motion carried on 4 yes votes.

Don Parker motioned to go with option 3: \$1,000 with review to look at expenses down the road. John Parker seconded. Vote: 3 yes; 1 no: Thompson. Motion carried.

Debt Payments & Transfers— The charts with debt payments and transfers to pay the debt were provided. Don Dillman motioned to approve debt transfers. Joy Thompson seconded. Motion carried on 4 yes votes.

Detailed Revenues & Expenses – John Parker asked about solar. There are still a few street lights to update. Don Dillman motioned to approve the detailed revenues and expenses. John Parker seconded. Motion carried on 4 yes votes.

Don Dillman asked about using \$100 donated for the animal shelter for beds since currently the animals were on concrete.

Adjournment

No further business to discuss. Council adjourned at 7:45 p.m. on a motion by Don Dillman and seconded by John Parker. Motion carried on 4 yes votes.

Connie George, Mayor

ATTEST: _____
Beth Kar, City Clerk