

CITY COMMISSION WORKSHOP MEETING
August 30, 2010
5:30 PM

Elected Officials Present:

Shirley Groover Bryant, Mayor
Tamara Cornwell, Vice Mayor, Commissioner-at-Large 2
Mary Lancaster, Commissioner, Ward 1
Tambra Varnadore, Commissioner, Ward 2
Brian Williams, Commissioner, Ward 3

Elected Officials Absent:

Alan Zirkelbach, Commissioner-at-Large 1

Staff Present:

James R. Freeman, City Clerk
Cheryl Miller, Sr. Accounting Analyst
Allen Tusing, Public Works Director
Rick Wells, Chief of Police
Diane Ponder, Deputy Clerk-Administration

Mayor Bryant called the meeting to order 5:34 pm

1. FY 2010-2011 BUDGET

Mr. Freeman informed Commission the \$215,000 deficit has been reduced to \$109,000, with the majority of the reduction in the deficit coming from personnel changes that are proposed in the Police Department and involve the CRA.

Chief Wells has elected to eliminate the Administrative Assistant position in his office from the budget. In addition, the employee in the Accreditation Coordinator position has tendered resignation and the job description has been modified to add the responsibility of Grants Coordinator. The employee currently in the Administrative Assistant position will be transferred to CRA by a lateral move with no change in current salary. The Accreditation/Grants Coordinator position will be posted internally.

The Evidence Custodian has indicated he will retire next April. The employee currently in the Maintenance Tech position has expressed interest in the position. It is anticipated the transfer will occur and the Maintenance Tech position will then become a part time position at 30 hours per week.

The changes as discussed will result in a net savings of approximately \$52,000.

Mr. Freeman then presented health insurance information, including coverage for retirees. Staff is proposing that dental coverage become voluntary for the employees, resulting in a savings of \$48,000, \$35,000 of which is in General Fund. A 2-tier dental plan will be available to the employees, provided there is 35% participation. The cost will be either \$23 or \$19 per month vs. \$29 per month per employee the City currently pays.

Staff also proposes that a 3-tier plan be adopted; a lower level base fund and two buy-up options. The savings from the 3-tier plan and the deletion of dental benefits will be a cost savings of \$77,773, \$57,000 of which is in the General Fund. The low cost and mid-level medical plan will result in higher deductibles and out-of-pocket maximums for all employees. This change was necessary to keep overall costs down. The employees with dependent care will see an increase in premiums due to an increase in the monthly rate for medical insurance. The City's current 55% subsidy for dependent care will remain in place. It was consensus of Commission to grandfather the City subsidy (55%) of the medical premium currently

being paid on behalf of retirees over 65. Going forward, staff recommended eliminating this subsidy to retirees over 65. The topic will be brought back to Commission for formal action.

A general discussion was held on the reserve balances as compared to the Fund Balance Policy, and whether or not they should be used to balance the budget. Suggestions were also made as to how future budgets could be reduced.

Mr. Freeman opined that finding the final \$50,000 necessary to balance the budget could be accomplished by staff. He also stated that the approved proposed ¼ mill increase is still an option Commission can consider. He did not favor using reserve balances to balance the budget.

It was consensus of Commission to make the changes to the health care as discussed and to direct staff to identify the further reductions to balance the budget.

The next budget workshop is scheduled for September 7, 2010 at 5:30 pm.

Meeting adjourned at 6:55 pm.

Minutes approved: September 13, 2010

James R. Freeman

James R. Freeman
City Clerk