

MINUTES

FORSYTH CITY COUNCIL MEETING CALLED BUDGET MEETING

FEBRUARY 1, 2010

Mayor Howard called the budget meeting to order at noon on February 1, 2010. Present for the meeting was Mayor Tye Howard, Councilmembers Mike Dodd, Desi Hansford, Eric Wilson, and Melvin Lawrence. Also present was City Administrator, Greg Popham; City Clerk, Janice Hall; City Financial Consultant, Charles Grinstead; City Bookkeeper, Geri Proctor; Department Heads, Wade Kite and Johnny Hodges.

Mayor Howard began the review of the proposed 2010 budget with an overview of a narrative provided by Mr. Popham regarding items within the budget and items for consideration for the future. Items highlighted by the Mayor were to use the Middle Georgia RC for code and zoning issues; reimbursing the City from SPLOST for water & sewer projects completed; money budgeted for collection of delinquent accounts needs to be watched closely as Mayor feels amount budgeted of \$94,000 in collections is too high; Methane Recovery System will have \$73,000 of the potential \$194,000 expended returning to the City once the system is up and running; MEAG billings fluctuate and could cause loss of revenues; all fees for services including dumping collection fees need to be reviewed and possibly increased; and a cost of living increase or performance pay for employees needs to be reviewed. Mr. Popham stated that the budget is a projection and should be reviewed at least at mid-year for revisions. Mr. Popham stated that the revenues reflected in his narrative are projections and are not included in the 2010 budget such as an additional 1¢ Local Option Sales Tax. Mr. Popham stated that we need to work on facilities charges to DOC and Wal-Mart to recoup the monies spent by the City in building the infrastructure for their establishments.

Mayor Howard requested that Mr. Popham and Mrs. Hall work with the Department Heads to reduce the revenues and expenses by 5%. Mayor Howard reviewed each item included in his narrative of the 2010 budget. A copy of the Mayor's narrative is attached to the official copy of the minutes. A lengthy discussion was held concerning the Mayor's request for the reduction and how this could be accomplished. Mr. Popham asked for clarification on the

request for the reduction as to whether or not this reduction should be included in the printout for tomorrow night's budget hearing. Mrs. Hall stated that there is not a way to reduce the overall budget without reducing individual line items as far as the printed information. There was a lengthy discussion as to ways that the budget can be approved without including the 5% reduction. Mr. Popham stated that the 2010 budget is already very tight. Mr. Dodd stated that the City must approve a budget to operate. Mrs. Hall suggested approving the 2010 budget with the stipulation that a spending freeze be included for a specified period of time. Mr. Popham stated that the staff will need time to properly review the budget again for items that can be reduced. Mr. Dodd stated that the budget needs to be approved and then reviewed on a regular basis. Mr. Hodges stated that according to information that he receives from the Public Service Commission, the City is third from the lowest on electrical rates. Mr. Wilson stated that this information needs to be made available to the citizens.

Mr. Grinstead reviewed the cable system and stated that when the City purchased the cable system, the profits were to be passed on to the General Fund to keep fees and taxes down. Mr. Grinstead pointed out that when looking at the overall picture of the cable department, the principal paid for the cable bond should not be included in the bottom line. Mr. Grinstead stated that the City has \$1.2 million remaining to be paid on the cable bond. Mr. Wilson asked if this included any upgrades to the cable system. Mr. Grinstead stated that the monies in the excess cable bond account can be used for upgrades on the system. Mayor Howard stated that the MEAG Telecommunications payment is also included in the cable department fund and this is for the fiber system that runs throughout the state.

The meeting was adjourned at 1:45 PM.

Submitted by:

Janice L. Hall, City Clerk