

City of Gordon
Budget Workshop
November 24, 2014

A budget workshop was held on Monday, November 24, 2014 at 4:30 p.m. at the City Annex located at 108 Elam Street. Present were Mayor Mary Ann Whipple-Lue and Council Members Mr. Freddie Densley, Mr. Terry Eady, Mr. Tommy Smallwood, Mrs. Doretha Whipple, and Mrs. Barbara Towles. Also present were Matt Garvin, Daniel Cummings, and Laura Mathis from the Middle Georgia Regional Commission. Several citizens were also present.

Mayor Lue opened the workshop by saying good evening, ladies and gentlemen. Let us bow our heads for a word of prayer. Invocation then given by Mayor Lue.

Councilman Densley joined workshop at this time.

Mayor said we all know Council Members what we are here to do is discuss the budget here at this workshop. As the Clerk has said, no minutes or any such thing will be rendered today. We will move along and have an introduction here. The City of Gordon has requested the assistance of the Middle Georgia Regional Commission in the development of the FY2015 General Fund, Water & Sewer Fund, and Library Fund budgets. We have from the Regional Commission, Mrs. Laura Mathis, she's the deputy director, Mr. Matt Garvin, finance officer, and Mr. Daniel Cummings whom I had the pleasure of meeting last Wednesday, two Wednesdays ago, he's a government services specialist. Today we will be hearing from these staff members concerning the proposed budgets that have been prepared. At a later date, the City will meet to discuss and adopt the budget. So, we will proceed, thank you.

Daniel Cummings said thank you Mayor and Council for the opportunity to come before you today. I want to present you with the proposed budget to kind of walk through with and hit some highlights of it and as questions come to you, feel free to ask. (Copy of proposed budget for 2015 attached.) As the Mayor mentioned, certainly take some time after this meeting to review the budget and as questions come to the surface, I will certainly stand ready to answer those for you. If you look on the first page of the proposed general fund budget, you will see a summary of revenues and then a summary of expenditures there as well. We also have just for reference and comparison, the fiscal year....

Mayor said excuse me, can you give Council Member Whipple just(Council Member Whipple joined workshop at this time.)

Daniel Cummings said sure.

Mayor said, thank you.

Mr. Cummings said we were just mentioning that we have done a draft of the proposed budget and I am just going to hit the highlights on the different funds budgets that we have

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accomplished. Feel free to ask questions now and also to take it home to go through and really sift through some of the details. This first page is a summary of the general fund budget. You will see the revenues and expenditures there. For comparison, you will also see what was the fiscal year 2013 budget, the fiscal year 2013 actual, then the 2014 budget and 2014 actual. In the proposed 2015, which will be the numbers we developed, and then the variance between the 2015 proposed and the 2014 proposed budgets. If you will move into the second page of the general fund budget, it begins listing the revenues anticipated. As you see, the first one outlined is property taxes. For 2015, we proposed \$231,810.00 expected to be received by the City. We did that based upon the tax digest and the current millage rate, which we didn't anticipate to change. If something were to happen, obviously that would change numbers. It is important to know that the digest from last year to this year did decrease by about 1.5 million dollars so that certainly will effect the amount of property taxes you will be receiving while keeping the millage rate constant. Moving down a little bit further, I'd like to direct you to franchise tax. Electric, that's a major revenue number there. Its \$262,500. Moving down a little bit further to the excise tax which is a tax on manufacturing facilities. If you will notice, that number is \$265,408. We worked with the county administrator to come up with that number based upon estimates to be received each month in the next fiscal year. The number will be greater because there is a larger percentage of that tax coming back to the local governments in Wilkinson County.

Councilman Eady asked if that included the TAVT, too, in that one or do you have it on a separate line.

Mr. Cummings said its three from the top, so that's a different number. We have that at \$45,000.

Mayor said so with this, you said it would be a bit more because of...what was you saying before he interrupted?

Councilman Eady stated, I did not interrupt, I just asked a question.

Mr. Cummings said it is an excise tax. Wilkinson County elected to continue to have a tax placed on manufacturing. While that tax was low in past years, it continues to increase up to 1%. That tax would increase this year based upon the percentage.

Councilman Eady then asked, "Do you want me to ask questions now or wait til later?" I need to ask as I go along so I can keep up with it better.

Mr. Cummings said I am comfortable with people asking questions now as we move along.

Mayor said, let me interject and say when I said that I was not trying to come off asbut, I thought I was hearing what you said until I hear him interrupt, so that terminology may have been a bit...

Mr. Cummings said I will be happy to restate anything for anybody at anytime. Feel free to ask. Moving down a little bit further, we have L.O.S.T. revenues, Local Option Sales Tax, which for this year we estimate to be \$460,000. I just wanted to point that out. Then, as we move on to the next page in the general fund budget, you will see the remaining funds there, including the LMIG Funds, which we have received word from the Department of Transportation that those will be in the amount of \$28,823.00. Moving a little bit further down, you will see the refuse collection charge.

Mayor said excuse me on that, the LMIG, did you get the request that we will...of course I'm going to bring it before the Council about the LMIG Grant or whatever.

Mr. Cummings said I did get that request and I will be happy to work with the City on that for the report that is required in order to receive those funds.

Mayor said, thank you so much..

Mr. Cummings said, so as you will see, charges for services. Looking further down into the revenues line, refuse collection charge, that number we proposed to be \$90,000 for this year for the amount of expense associated with operating the municipal garbage. From a book perspective, even though some of those funds may be necessary to aid in the water and sewer fund, from a book perspective, it should be listed as a general fund revenue. That's something that has been handled a little bit differently in the past. If you move to page 3, under miscellaneous, I want to point out the Georgia Fund 1 interest income line, which we had budgeted for \$12,000 and the interest income for the cd zeroed out. I understand that some money was initially in Georgia Fund 1 interest account and then moved to a cd and then back to Georgia Fund 1. That is why those numbers are reflected that way. The total revenues for FY15 general fund budget is \$1,629,548.00. On the next page, we move into the expenditures portion. I would like to note, just to point out briefly, salaries throughout the entire budget, we held at a constant of what they were for Fiscal Year 2014. So, anytime you see those numbers, it does not reflect an increase of any kind. It's the same as what the FY2014 budget reflected. Under general government, we have City Council. We have predicted expenses of \$99,731.00. Moving on to the next page, we have the Mayor. We have projected expenses of \$24,867.00. In

the next section would be financial administration. One thing I do want to point out there, on the second page of financial administration, if you will look down, you will see capital outlay. That is something that was budgeted for I believe ½ of a computer and printer to be used in the financial administration office of the City. I wanted to point that out because that's where that detail comes from. The total expected expenses for financial administration is \$216,457.00 and the total for the general government would be \$341,055.00. Moving next to municipal court. The total budget there would be \$13,970.00. Moving into public safety which should be on that page and on to the next...

Mayor asked, "So, on this municipal court, is that always pretty much constant?"

Mr. Cummings said, well if you look, the actuals on 2013-14, were there at the \$13,000 mark, so we are a little bit above that, but not significantly. It is quite a bit above the budgeted 2014. So, from the history we've seen, its stayed fairly constant for the last three years. Moving into the police department budget, you see its one of the larger departments there. The total budget for the police department is \$701,282. That does not include any capital.

Councilman Eady said thats because the capital is going to come out of SPLOST for that.

Mr. Cummings stated that's right. Then for the fire department, we had a budget of \$12,700. Then for animal control...

Mayor said, excuse me. I'm looking at the increase from 2014 to that. Can you explain that?

Mr. Cummings stated we were looking at obviously the two budgeted numbers for 2013-14 were substantially higher. But, in looking at the 2013 actual, \$13,847, and the 2014 actual \$9,111, we kind of took the middle road there and said here you had a high and here you had a low so we tried to shoot for the middle. Moving into animal control, I see a proposed budget of \$4800.00. So that's a total public safety budget of \$718,782.00. Moving forward into the public works department, in the public works administration, we have budgeted for \$66,044.00. For highways and streets, a budget of \$228,893.00. There is a capital outlay expenditure there as well. It is for the repair of the John Deere mower and transmission repair on one of the trucks in the street department. You have some vehicle repair there with the mower and the truck. That's where that amount comes from.

Mayor asked, "What year is this truck?"

Mr. Cummings said I don't believe we have the details on that. It just says a chevy truck, it doesn't say what year.

Mayor then asked, "The John Deere, the tractor, does it give any....?"

Mr. Cummings said it just says John Deere mower tractor repair. You will see that amount is budgeted for \$8000.00 for the repair of those two. Solid waste collection, as I mentioned before, expenditures have been fairly constant because of the contract that you have, so we have that as \$90,000.00 for solid waste, which brings the public works total to \$384,938.00. Then you have mosquito control at \$9970.00 for expenses.

Mayor asked, "Is this part time?"

City Clerk replied, seasonal, yes ma'am.

Mr. Cummings said I suppose they are thinking there that you don't need as much mosquito control in the winter months. Just below there, you have culture and recreation. In specifically recreation, we budgeted for \$7400.00. Obviously, the budgeted amounts in 2013-14 have been specifically higher than the actuals or much lower, so we wanted to get what would be closer to the actual. Then, under parks, we had a budget line there for \$30,090.00 for a total culture and recreation budget of \$37,490.00.

Mayor said I know you have everything laid out but, what's this? Is this the Little League, or what? I see dues...what is that?

City Clerk said that's Better Hometown. Parks is actually Better Hometown. That's what this whole section is on.

Mayor stated I did not know that.

City Clerk stated actually I think Better Hometown is now called Main Street Gordon.

Mayor said, ok, let me look at that a bit.

Mr. Cummings said, moving forward, that's a total for culture and recreation, or Better Hometown and recreation, is \$37,490.00. Then housing and development, building inspection, we have a budget of \$4,490.00. Then, planning and zoning, did not budget anything for planning and zoning based upon the lack of actuals for 2014.

Mayor asked, "Why not?" Is this because this is a new administration? That should be forthcoming, I mean. All these years and nothing for 2015.

Mr. Cummings said I think we went based upon the 2014 actual there. So, you know it didn't have anything to do with the administration of it. Certainly based on feedback from Mayor and Council, and certainly knowing of future plans to involve more planning and zoning, more money can be budgeted. That is something that we can certainly tweek a little bit based on the plans of the City. Its very similar with economic development as well on the next page. Then moving further down that page, you will see debt service, fire truck capital lease. This is an annual payment the City makes for a fire truck purchased. Total expenditures we have at \$1,529,190.00.

Mayor asked, "How long is this fire truck budgeted for?"

Mr. Cummings asked Matt Garvin if he remembered the lease figures and he did not.

Councilman Eady said I think it was for ten years.

Mayor asked, "Is it a fairly new truck?"

Councilman Eady stated it's a fairly new one, it's a 2010. We had a \$50,000 grant, I believe it was from the USDA, then we financed the other on a lease type deal. Its our truck. Its just a payment each year.

Mrs. Laura Mathis asked Terry Eady if that was the community facilities program that ya'll went through, through the USDA.

Councilman Eady replied yes.

Mr. Cummings said moving on and circling back to the very first page of the general fund budget, I'd like to point out a few items. If you will notice down at the bottom below total expenditures, you will notice that you have transfers out that are to the library fund, the City does transfer money from the general fund to the library fund to fund the library. In the interfund transfer out to water and sewer, in the past this has been money that has been collected in garbage fees that maybe has stayed in the water and sewer, so this is just showing an accounting for that, that it is in the general fund but the general fund transfers \$40,000.00 back to support the water and sewer fund.

Mr. Cummings then asked if anyone had anymore questions about the general fund budget.

Mayor asked, "Right up under there where it says the expenditures, where it says debt services, is that the same as the fire truck?"

Mr. Cummings replied, "That's correct."

Mr. Cummings said that summary sheet is just a recap of all the department totals basically.

Mayor said ok.

Mr. Cummings said its just a little bit easier on the eyes.

Councilman Eady stated, on the refuse collection, you didn't increase it very much. Now every year they get an increase for the next three or four years. We had a five year contract that comes up every March or April and they will be going up on theirs, but we haven't changed ours in about five or six years on what we've collected. That's the problem I've been bringing before Council for year after year after year after year. Your water and sewer rates are too low. They are not meeting the expenses most of the time, the garbage, too. They are going to get an increase, I think in March or April when their contract comes due and its already proposed and we know what their rate is going to be but ours is going to stay constant.

Mrs. Mathis stated, you haven't passed that increase on to the citizens.

Councilman Eady said, no. Just like I say, we struggle being able to move that money even though it belongs to general fund. If you don't have the money to transfer, you have to leave the money there. That's why you see these low numbers under the refuse collection, you will see like \$53,000, \$54,000, \$55,000. We collected it, but like you say this \$30 or 40 thousand has to stay over here in the water and sewer fund because we don't have the money to move over.

Mr. Cummings said understood. But, the City has already been made aware of what that increase will be.

Councilman Eady said, yes. We know that its been contracted out for the next three to four years.

City Clerk to provide Mr. Cummings with a copy of Dixon's Disposal contract.

Mr. Cummings said, moving right along, if there are any more questions about the general fund budget, then we will move on to the water fund budget. Its smaller, as you can imagine. So, you will see on the first page we have the revenues. Water charges we estimated to be \$240,000.00. Sewer charges we estimated for \$131,000.00. Then sewerage charges to the City of Ivey for those services we have \$40,000.00. Our total revenues expected, we put at \$423,634.00.

Mayor asked, "What's the connection with Ivey and Gordon and this sewage?"

Mr. Cummings said the City of Gordon serves the City of Ivey with sewer and that's where that payment comes from.

City Clerk explained that the City of Ivey pumps their sewage to our treatment plant and we process their sewage for them and bill them monthly for the gallons of sewage that is pumped to our plant.

Mr. Cummings then said we will look at the expense side. First is the sewer.

Mayor said I'd like to ask a question before we go further. Where it says late payment penalties, is that...explain that please.

Mr. Cummings stated Gordon has a policy where if folks don't pay their bills on time, they have an extra fee on top of that. Based on previous years, that's what we thought the amount of late payments may be that come in. If you don't pay your bill by the end of the month, then you have to pay your bill plus a service fee on top of that as well.

Mr. Cummings said moving through the sewer budget, there is quite a lengthy list there. Moving on to the second page and into the third page of the water fund budget, you will notice debt services associated with the expense in the sewer fund. That is for some loans for some infrastructure improvements there. At the end, the total sewer budget expenses we be placed at...

Mayor said question, before you go further. In looking at this now, this is the water fund. What comes in under the \$200.00 from 2013, didn't get anything for 2014, what is it that \$217.00 for?

City Clerk asked are you talking about Christmas bonuses?

Mayor replied yes.

City Clerk explained the amount would be based on the number of employees in that department.

Mr. Cummings said based on the payroll information given us, that's what it showed was paid to the employees in the sewer department for Christmas bonuses.

Mayor asked, "It was what now?"

Mr. Cummings again explained it was what was paid to employees in the sewer department for

Christmas bonuses in 2014. What happened is that it got recorded into the salaries. The information we were provided actually showed a Christmas bonus even though the actuals column showed a zero but it got recorded into the salaries account with all the other salary expenses. But, according to the payroll information we were provided, those bonuses were paid out last year.

Mr. Cummings said moving through page 2 and 3, we have a total sewer expense of \$295,178.00. Then into the water portion of the water fund budget, moving on to page two there...

Mayor asked, "Can we just slow down just a little bit?"

Mr. Cummings replied, sure.

Mayor said I have a question under uniforms. How often do they get uniforms?

City Clerk explained that we use to go through a uniform company, but that wasn't working out well and it was costing too much money so now we buy them uniforms once a year. Last year is the first year we have actually bought them uniforms instead of leasing them. The City has saved quite a bit of money by doing this.

Mr. Cummings went on to say on the last page, you will see the transfer from the general fund is placed on here as a positive transfer. That's essentially the water fund budget for 2015. If there are any other questions, I will be happy to answer them. Moving to the library fund budget which is a stand alone sheet of paper. It should be in your packets. Under revenues, you will see there is some revenue from Wilkinson County - \$5000.00 and that's been consistent. You will see some from the Town of Ivey as well. The total revenues on this budget is \$7320.00. Then moving into expenditures, you will see salaries, Christmas bonuses, repairs and maintenance for a total of expenditures of \$65,393.00. It does have a capital item there of \$9958.00 for new flooring at the library. Once again you will see a transfer from the general fund, in amount of \$58,073.00. I will be happy to deal with any questions anyone has right now. I'm sure there is a lot of numbers there and a lot of things you will want to look more in depth into. Feel free to contact us with any questions and it is my understanding that the City will be meeting again to discuss the budget and hopefully at some point very quickly to pass the budget as well.

Attorney Boone said, I have a general question. I heard you mention the 2013 audit report. Is that correct?

Mr. Cummings said I did mention it when I was talking about the debt service payments.

Attorney Boone asked, "Is that the audit Mr. Wright did?"

Mr. Cummings replied, "Yes sir."

Attorney Boone said so you used that as the foundation.

Mr. Cummings replied I mostly used that for the debt service payments because it detailed out in there how much you have to pay out for the next several years. That's where I got those debt services numbers from.

Mayor said there being no further questions, we certainly thank you all for coming and we look forward to working with you from henceforth, and until such time. Thank you so much.

Mayor adjourned meeting at 5:01 p.m.

December 15, 2014
Approved & Adopted

Jawana Brown
City Clerk

Mary Whipple-Lue
Mayor