

**MINUTE BOOK 24, PAGE 421
CITY OF STATESVILLE
CITY COUNCIL BUDGET WORKSHOP MEETING – MAY 29, 2012
CITY OFFICES BUILDING - 2ND FLOOR TRAINING ROOM - 5:00 P.M.
STATESVILLE, NORTH CAROLINA**

Mayor Costi Kutteh presiding:

Council Present: Gregory, West, J. Johnson, Eisele, M. Johnson, Matthews, Huggins, Stallard

Council Absent: 0

Staff Present: Hites, Burns, Salmon, Triplett, Bullins, Houpe, Harrell, Morrison, Davis, Pressley, Anderson, Cornelison, Rimmer, Watts

Media Present: Dave Veiser-Charlotte Observer

Others: 0

Note: Due to a malfunction with the recording hardware, this meeting was not recorded. The minutes below are a very brief summary of the meeting developed from notes taken by a staff member in attendance.

Mayor Kutteh called the meeting to order. Finance Director Lisa Salmon presented changes to the 2012-2013 budget and reviewed a savings of approximately \$250,000. The current gap in the budget is \$2.5 million. Mrs. Salmon stated that employee retirements up to this point will save about \$200,000 as twelve employees have taken the retirement incentive package, with four more possible. The total of these savings is \$503,144.

Council members Stallard and West pointed out that the \$0.03 cent property tax increase would save an additional \$857,808. Council member Stallard proposed a reduction in force of 23 employees and if the four people considering retirement do not take it, then City Manager Rob Hites should consider a reduction in force of four employees.

Council member Stallard suggested turning the Commercial Sanitation Hauling Program over to a private company so the City of Statesville can get out of the commercial trash pick-up business. This would save the City approximately \$250,000 per year and could reduce staff by three positions, however it would still need to be determined whether to move these staff members to different positions or lay them off. This proposal would also eliminate the need to purchase the truck that is included in the Sanitation Department budget and would amount to a one time savings of \$250,000 in addition to funds from the sale of the existing four trucks. Staff would need to investigate how to handle apartment trash pick-up.

Council member Eisele asked if contracting out the mowing would be beneficial. Recreation and Parks Director Brent Cornelison replied he had already researched this and determined that it would not produce a cost savings. Council member Gregory agreed and stated that Council had tried this a while back.

Council member West asked about a high volume water usage program. He stated he was contacted by Mocar Industries who are concerned about the water rate increase. They predict that their costs will go up about \$50,000 per year as a result of the water rate increase.

Council member Stallard stated that the Sanitation fees will produce \$768,000 in savings to the City.

Council member Eisele questioned the cost for the 800 MHz system. Fire Chief Bullins, Mr. Hites and Mrs. Salmon explained the equipment.

Mayor Kutteh questioned the computer costs listed in the budget. Mrs. Salmon explained the virtual server plans.

Council member Huggins asked what was planned for the leaf collection truck. Staff advised there are no changes to the leaf collection program.

Staff stated there is no funding included in the upcoming budget for frozen positions.

Council member M. Johnson questioned the tree trimming costs in the Electric Department budget, the Contracted Services Account, Professional Services and asked Mr. Pressley about water line replacements. Staff explained these costs.

Mayor Kutteh asked for an explanation of "Value Engineering". Staff gave a brief summary of "Value Engineering".

Council member Huggins asked if the Jet Vac truck is really needed this year. Staff stated that it is and explained why.

Mayor Kutteh addressed comments that were received from the public during the budget public hearing.

There being no further business, Council member West made a motion to continue this meeting until Wednesday, May 30, 2012 at 5:00 p.m. in the 2nd floor training room of the City Offices building, seconded by Council member Matthews. The motion carried unanimously.

ATTEST:



Brenda Fugett, City Clerk





Constantine H. Kutteh, Mayor