

The Board of Mayor and Aldermen of the City of Waveland, Mississippi, met in special session at the Waveland Civic Center, 335 Coleman Avenue on September 15, 2010, 7:00 p.m., to take action on the following matters of city business.

Present at the meeting were Aldermen Stahler, Geoffrey, Schmitt and Piazza

Also present at the meeting were City Clerk Lisa Planchard, City Attorney Gary Yarborough and Court Reporter, Ms. Norma Jean Soroe.

Court Reporter Transcribed Minutes Exhibit A

BUDGET FY 2010-2011

Re: Approve Budget Draft #7

Alderman Schmitt moved, seconded by Alderman Stahler to approve Draft #7, FY 2010-2011 Budget and open the floor to discussion. **(EXHIBITS A-D)**

During discussion, Mayor Longo noted that Draft #7 proposed a \$6,065,340 general fund budget, a \$2,026,717 enterprise/utility fund budget, with a beginning cash balance of \$909,253 and a projected ending cash balance at 9/30/2011 of \$250,576, which will absorb \$658,493 of cash reserves in the upcoming fiscal year. Mayor Longo noted that 1 mill is equivalent to approximately \$66,000 and equates to about \$29.55 per household. Of the 2.62 mills which was proposed in Draft #6 would be a revenue increase of \$170,560. He said if we break that down, the general fund would receive \$105,560; parks and recreation fund - \$32,500 and the Library Fund - \$32,500. The proposed increase in utilities of \$10.80 per month per household would produce about \$237,298 annually to the Utility Fund. Total current personnel costs are \$5,435,000 and if we did an 8% salary rate reduction, this would save \$300,242. If the City implemented the 8% rate reduction and position cuts, this would be a \$749,319 savings. A 5% salary rate reduction would be approximately \$187,652 savings. I've provided a schedule for giving the Board an option for picking and choosing those budget items they prefer. Alderman Stahler asked whether the 'director's reductions' by Department heads was already included in Draft #7. Mr. Worrel said it was. She also asked if the utility rate increases were already in the budget. Mr. Worrel again answered affirmatively. Alderman Schmitt asked how the commercial utility customers would be charged. Worrel said that some were charged by the size of their meter, but suggested that whatever we raise residential customers (ex: \$1.35), the same would apply to commercial customers. City Attorney Yarborough said, "So you're proposing the same percentage increase of rate for residential and for commercial?" Worrel answered, "We could do the same percentage, but the budget has just the dollar figure for every customer." Alderman Schmitt noted that in Draft #7, we have a \$658,000+ deficit. Attorney Yarborough said yes and the number we have in Draft #6 is a surplus of \$2,200+. Yarborough reminded the Board that revenues are down \$1,000,000 and we are basically back to 2003 revenues. He said, "You know, you're supposed to be growing as you go. You should at least grow with inflation. We are back to 2003 numbers as far as revenues go." Yarborough further noted that Draft #6 is an 8% pay cut across the board and a 10% millage increase which equates to about \$78 a household for the year as an average. He said Draft #7 has about \$450,000 of personnel cuts already included and we have to find another \$658,000 elsewhere; adding that if the Board does not vote for the Utility increase, the Board will have to make up a \$900,000 deficit. City Attorney Yarborough said he recommended that the Board vote yes for the Draft #7 proposed budget.

Re: Amend Budget Draft #7

Alderman Schmitt moved, seconded by Alderman Stahler to amend Budget Draft #7 as submitted.

A vote was called for with the following results:

Voting Yea: Stahler, Geoffrey, Piazza and Schmitt

Voting Nay: None

Absent: None

After brief discussion, The Board agreed to have each department cut their pro rata % share of the \$658,493 deficit in the Draft #7 Budget. Mr. Yarborough added that for the Board's information, a 1% pay cut would provide approximately \$42,000 in savings. City Clerk Planchard confirmed with Mr. Worrel that the 10% health insurance employee participation is also included in Budget Draft #7. Attorney Yarborough asked Mr. Worrel whether he had the comparative 2004 budget with him. Mr. Worrel said he did not. Alderman Stahler left the meeting to get the 2004 budget.

Re: Recess the Meeting

Alderman Piazza moved, seconded by Alderman Geoffrey to briefly recess the meeting.

A vote was called for with the following results:

Voting Yea: Geoffrey, Piazza and Schmitt

Voting Nay: None

Absent: Stahler

Re: Reconvene the Meeting to Order

Alderman Piazza moved, seconded by Alderman Geoffrey to reconvene the meeting.

A vote was called for with the following results:

Voting Yea: Stahler, Geoffrey, Piazza and Schmitt

Voting Nay: None

Absent: None

During discussion, Board members reviewed 2004 salaries, department by department comparing them to 2010 salaries. (Aldermen conversing among themselves) Attorney Yarborough told the Board if they were looking at pay cuts, budget Draft #6 already had 8% pay cuts built into it. City Attorney Yarborough told Alderman Piazza that if the Board is discussing pay cuts; if they did a 10% increase for the utility department rates as indicated in Draft #6 and if they are not going to raise the millage, a 4% pay cut in addition to the 8% pay cut get you to a surplus. Alderman Piazza asked whether this would cut positions also. Attorney Yarborough said there are some salary cuts already included in budget Draft #6. City Clerk Planchard said, "I'd just like to address the fact that this is not 2004 or 2005. This is post-Katrina and not pre-Katrina. And I've said it before and the level of paperwork is enormous with all of the projects, the project worksheets, and the FEMA and MEMA, the coordination with urban planning and all the other agencies that we have to coordinate with. There are more positions now. The workload is phenomenal." Mayor Longo said, "That plus we have to put on an election this year." Planchard added, "I just want to say for the record that I, on the record – my opinion may not be popular, I respect whatever decision the Board makes. However, under sound fiscal management which you've entrusted with me, I strongly urge you to adopt Draft #6 with the 8% salary cuts so that the City is in compliance with budgeting laws of the State of MS." Alderman Schmitt asked whether that would also include the 10% millage. Planchard said, "Yes, sir. It hasn't been raised in 11 years. It's not popular, but one year from now if we do not do the millage and have a millage increase – we're at 26 mills. No one said this in any of the public hearings, I'll say it. I'll be the bad guy. We're at 26.86 mills." Mr. Worrel, "26.24". Planchard explained that 7 other cities our size have mills at a minimum of 31 and a high of 76 mills; and not to say that that is perfect, but the City of Waveland is operating at 1999 dollars that were set up by that

millage and we're not keeping up with inflation or covering our basic costs, such as garbage, wastewater, etc... Alderman Stahler added that those other cities also have a great deal fewer employees so they might have a higher millage, but they're a different type of community than we are. Stahler added that we're mainly sales tax driven and those are more bedroom communities where their only source of income is their millage. Mayor Longo added that when you're on 2003 revenues and trying to make it work with 2003 revenues in 2011, it's just not possible. After general discussion, Attorney Yarborough called the meeting to order. Alderman Schmitt requested to take the \$658,493 deficit and put it across each department by whatever percentage that department is of the total budget. Attorney Yarborough asked if that deficit number is to be allocated to personnel costs only, is the pro rata share you are talking about specific personnel costs, or for the entire costs per department? Alderman Schmitt said across the whole department, not just personnel.

Approve Budget Draft #7 as Amended

City Attorney Yarborough said, "So the proposal is for the percentage that is currently allocated in Draft #7 to each of the departments will be cut based on that percentage to make up the \$658,000+ deficit and just to be clear, #7 included the utility rate increases proposed. Alderman Schmitt answered, "Correct". Yarborough said, "Plus the personnel cuts". Alderman Schmitt said, "That's already in here". Yarborough replied, "Yeah, those are included". Alderman Stahler said she would also like for Mr. Worrel to give the Board the proposed commercial rate increases so that we will have a better figure on this. City Attorney Yarborough clarified for the record, "Tom, do you have a current allocation per department, what those percentages are in Draft #7?" Mr. Worrel said he did. Yarborough then stated, "I'll say that the budget will be spread on the minutes, the budget that is proposed. Tom is going to state it because it is a working budget that is being – the #7 that's here is being amended so we don't have one to give you tonight as a finalized budget. But Tom (Worrel) will state what those cuts will be per department, and that will be across the board per line item based on the percentage currently allocated in #7 to each of the departments." Mr. Worrel stated that cuts in general administration, an additional \$141,058; in the police department, an additional \$176,324; in the fire department, an additional \$150,465; in the building department, an additional \$30,620; in the streets department, an additional \$90,674; in the animal shelter, an additional \$20,479, and in the utility department, an additional \$38,851.

Alderman Schmitt moved, seconded by Alderman Stahler to approve Budget Draft #7 as Amended.

A vote was called for with the following results:

Voting Yea: Stahler, Piazza, Mayor breaks tie with Yea vote

Voting Nay: Geoffrey, Schmitt

Absent: None

Re: Approve Millage Rate

Alderman Schmitt moved, seconded by Alderman Stahler to set the millage rate for the 9/30/2011 fiscal year (same as prior year, no increase).

General Fund	13.745 mills
Parks & Recreation	3.99 mills
Library Fund	2.50 mills
Debt Service	6.00 mills
Total Mills	26.235 mills

A vote was called for with the following results:

Voting Yea: Stahler, Geoffrey, Piazza and Schmitt

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Special Meeting of September 15, 2010
7:00 P.M.

Voting Nay: None

Absent: None

The next meeting will be with the Department Heads to discuss their cuts as voted by the Board above; meeting set for next Tuesday, September 14, 2010 at 6:30 p.m.

ADJOURN

Re: Adjourn at 9:03 p.m.

Alderman Schmitt moved, seconded by Alderman Stahler to adjourn the meeting at 9:03 p.m.

A vote was called for with the following results:

Voting Yea: Stahler Geoffrey, Piazza, and Schmitt

Voting Nay: None

Absent: None

The foregoing minutes were presented to Mayor Longo on October 8, 2010

Lisa B. Planchard
City Clerk

The Minutes of September 15, 2010 have been read and approved by me on this, the 8th Day of October, 2010.

John Thomas Longo
Mayor

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