

**Aberdeen Council Work Session
May 18, 2009**

Present: Mayor Bennett, Council President Hiob, Councilwoman Elliott,
Councilman Kupferman and Councilwoman Young

Absent: None

Also Present: Douglas Miller, City Manager
Randy Rudy, Chief of Police
Kate Talanehzar, Grant Coordinator
Doris Manner, Recording Secretary

The work session was called to order by Mayor Bennett in Council Chambers at 4:30 p.m.

1. BRAC Zone – Kate Talanehzar

Ms. Talanehzar presented a diagram of the areas designated as the BRAC Zone and the Enterprise Zone. She stated that the BRAC Zone contains under 80,000 acres. There will be no Enterprise Zone businesses, offices, etc. in this area. Frito Lay has been removed from the BRAC Zone due to its size. This venture will be 100% backed by the State and 50% locally. Currently, the Rt. 40 corridor is in the Enterprise Zone. Councilwoman Young asked for a list of the businesses indicated in black and blue on the diagram.

2. Budget

Mr. Miller noted that there are five areas to be considered in the Budget. He reviewed each area and how it is financed, i.e., taxes, etc. The objective for this Budget year is to keep employees working, no furloughs or layoffs, and to give back to the City. Major increases include Police Retirement Benefits and Health Insurance premium increases. There will be no pay increases or COLA for City employees.

Mr. Miller reported that the Budget has been introduced and opened to public comment. There has also been a public comment opportunity for the Constant Yield. The Budget is due for approval on May 26 or June 1. Adoption should take place within a 20-day period. At this point, any changes in the Budget must be made as an amendment.

Mayor Bennett presented several amendments to the Budget which will be presented at the next Council Meeting on Tuesday, May 26.

Mr. Miller said the City is looking at ways to reduce the health insurance through Blue Cross/Blue Shield. The option is similar to self-insurance where the employee does most of the paperwork. Details are being worked out on the deductibles, etc. This should result in a savings to the City of approximately \$160,000.

Councilwoman Young stated that she likes the health plan proposal.

Councilwoman Elliott feels that money can be found in order that the Constant Yield will not be exceeded. She read an extensive list of suggestions to change the proposed Budget to add to some designations and subtract from others. Included in these suggestions was the Boys & Girls Club, eliminating the purchase of two police vehicles, eliminate taking City vehicles home, increase development fees, reduce City operating expenses, curtail golf outings and eliminate lunch time party trays. She also feels that legal counsel is being used too much and is too expensive. Councilwoman Elliott asked if details of contracts and leases are available. Mr. Miller said there were no solutions at this time. She said that, if implemented, the total of the reduction of items suggested would reduce the Budget by \$623,000.

Mayor Bennett said the Council and Staff have shown great leadership in working and reworking the Budget. This job has been ongoing for many months. He asked why Councilwoman Elliott had all of the items she submitted at such a late date. She said she submitted a list when the draft Budget was considered. Mayor Bennett stated that he did not receive a copy.

Mr. Miller explained the vehicle take home policy. The policy is for the convenience of residents when issues of an emergency nature arise. Employees who reside outside the City use the vehicles for commuting to work only.

Council President Hiob said the proposed reduction in development fees would be minimal because there is little development taking place. Previously, there were increases in hook-up fees, etc. Mayor Bennett noted that this issue is not a Budget matter.

Council President Hiob noted that legal counsel is probably not used enough.

Mayor Bennett said the Council has a draft copy of the Budget and asked them to bring their concerns to him for discussion. The official process has already been completed and this is a bare bones budget. A Constant Yield reduction would result in a reduction of services, laying off employees, and destroying the City from within. This Budget has been developed line-by-line in comparison with previous budgets. The City has a responsibility for the policemen who put their lives on the line every day.

Council President Hiob noted that if the Constant Yield is adopted, other costs will increase.

Mayor Bennett asked that for any Budget changes, people can contact him or Mr. Miller so everyone will have the opportunity to review the suggestions.

Council President Hiob asked if real estate tax on proposed construction was considered in this projection. Mr. Miller said only a project which has been 100% completed will be considered in this Budget.

Mayor Bennett noted that adjustments can be made in the Budget during the fiscal year.

Council President Hiob reviewed a list of suggestions for Budget changes. He also noted some expenses in the current Budget which will not be needed next year, i.e., the consultant which Ms. Grover needed. Mr. Miller explained some of the proposed items in the Budget which Council President Hiob questioned, i.e., Police Pension Plan and a 600% increase in storm drain expenses. Mr. Miller said the Swim Club has received new lifeguard stands, replacement of a circulation pump, etc. He reminded everyone that Parks and Recreation stands by itself.

Chief Rudy said there is some frustration in the Police Department. While they realize the financial problems, they have been instrumental in reducing crime and received awards. They will be receiving no step increases or COLAS which police in other municipalities are receiving. Currently, there is a Grant for the purchase of bullet proof vests.

Councilwoman Young asked if the School Resource Officer position has been eliminated or put on hold. Chief Rudy said the Officer worked at the alternative education school and the City will reapply for a grant. She asked for a copy of all amendments suggested.

Mayor Bennett extended the meeting to 6:15 p.m.

Councilman Kupferman submitted suggestions which are only \$28,000 different from the Mayor's Budget. The increases are for the Boys & Girls Club, and overtime and uniforms for the Police Department. The new Patient First, hotel, and a tractor company will provide these funds. Councilwoman Young asked where this amount of money is found in the Budget as submitted. Councilman Kupferman said the suggestion was based on information from the three businesses.

The meeting was adjourned at 6:10 p.m.