

MINUTES

Montevallo City Council - Budget Work Session

September 22, 2020

4:00 p.m.

City Hall

Mayor Hollie Cost, Council Member Rusty Nix, Council Member Arthur Herbert, Council Member Tiffany Bunt and Council Member Jason Peterson were in attendance. Council Member Willie Goldsmith was absent.

Mayor Cost called the Work Session to order at 4:00 p.m. The Mayor noted the purpose of this Work Session was to discuss the proposed 2020-2021 Fiscal Budgets as presented to the Council at the last meeting:



541 Main Street
Montevallo, AL 35115
205-665-2555
205-665-9203 Fax
www.cityofmontevallo.com

Hollie C. Cost, Ph.D. – Mayor
Herman Lehman – City Clerk
Jeremy Littleton – Chief of Police
Bill Reid - Fire Chief

Council Members
Tiffany Bunt
Willie Goldsmith
Rusty Nix
Jason Peterson
Arthur Herbert

September 11, 2020

Council, Mayor-elect and Council-elect:

It is my distinct honor and pleasure to present you with our administration's final proposed budget. As detailed in the attached resolution, the 2020-2021 Fiscal Budgets reflect our anticipated revenues and expenditures for the coming fiscal year. As we have done throughout the eight years of our administration, our projected revenues are based on historical data and reflect conservatively what we expect to receive next year. Keep in mind, however, that we still do not know what future impacts the COVID-19 Pandemic may have on our local economy. Therefore, you must continue to monitor Sales Tax receipts and other revenues on a monthly basis to ensure they remain in-line with last year's results. If you notice a significant decline in revenue, you will need to make adjustments accordingly.

The proposed budget also fully funds each of our departments' requests for the coming year. In addition, the budget provides a full 3% merit salary increase for all eligible employees. It also reflects the city covering the full cost of a 5.5% increase in health insurance premiums. As you will note in the complete line-item budget as also attached, the budget provides ongoing support for Tinglewood, our local Chamber, Montevallo Main Street, SEA, our schools, and various other key community partners. Importantly, it also provides funding for various capital projects, such as the Victory redevelopment project, a lease of four new police cars, new mowers for the street department and parks, and various supply and equipment needs for the fire department.

As always, I want to express my sincere gratitude to our city staff and department heads for their assistance in putting together our annual budget, and most importantly, for ensuring that their departments are run efficiently and effectively. Year after year, they have worked to keep costs down and stay within budget. As a result, year after year, we've been able to receive "clean" audits. Thanks to their efforts, I am proud to leave the City of Montevallo in the best financial condition in recent memory, perhaps ever! Our budgets are balanced. Our audits are clean. Our departments are well staffed and equipped. We own more property and assets than ever before. And, we are able to better serve our residents and local businesses than at any time in our history. I'm proud of our

accomplishments, and I'm ever so proud of all of our employees – and you as councilmembers – for helping to make these achievements a reality.

Monday night will be the introduction of the proposed budget. We will need to set a date and time for a Budget Work Session – I was thinking this coming Wednesday night. Our department heads should be able to answer any questions you may have at that time. If not, we have plenty of time to hold a second Work Session prior to the September 28th meeting. At that meeting, we will need to adopt the final budget.

Thank you for your consideration and support all these years. We've been a great team.

Sincerely yours


Hollie C. Cost, Mayor

RESOLUTION NO. _____

**A RESOLUTION OF THE CITY OF MONTEVALLO, ALABAMA
ADOPTING ITS 2020-2021 FISCAL BUDGETS**

Whereas, Generally Accepted Accounting Principles (GAAP) recommend municipalities approve an annual financial budget;

**NOW THEREFORE BE IT RESOLVED BY THE CITY COUNCIL
OF MONTEVALLO, ALABAMA, AS FOLLOWS:**

1. The Council hereby adopts the following:

2020-2021 GENERAL FUND BUDGET

REVENUES: \$5,809,885

EXPENDITURES:

Beautification -	\$ 2,700
Historical Commission -	1,500
City Judge -	22,586
City Prosecutor -	13,527
Mayor's Office -	31,480
Clerk's Office -	81,528
City Council -	23,700
Revenue Officer -	5,000
Elections -	0
Economic Development -	62,614
City Hall – General Operations	824,874
City Shop -	15,600
Police -	1,590,145
IMPACT	133,070
Fire & Rescue -	364,720
Cemetery -	81,970
Building Inspector -	10,000
Fire Inspector -	52,809
Streets & Roads -	595,675
Leaf & Limb -	62,440
Sanitation -	262,494
Animal Control -	7,300
Golf Course -	25,000
Aging Program -	50,285
Parks & Recreation -	292,613

Community Band -	250
Recycling Center	144,553
Mahler Property	1,200
90% of 1 Cent Expense (MDCD)	577,575
10% of 1 Cent Expense	64,175
Fire Truck Lease Repayment	54,654
Library Loan Repayment	70,776
Transfer to Library -	<u>280,205</u>

TOTAL EXPENDITURES \$5,807,018

REVENUES OVER
EXPENDITURES \$ 2,867

4/5 CENT GAS EXCISE TAX FUND

REVENUES	\$ 11,462
EXPENDITURES	<u>11,000</u>
REVENUES OVER EXPENDITURES	\$ 462

2 & 7 CENT GAS EXCISE TAX FUND

REVENUES	\$ 14,805
EXPENDITURES	<u>14,805</u>
REVENUES OVER EXPENDITURES	\$ 0

10 CENT GAS TAX FUND

REVENUES	\$ 33,976
EXPENDITURES	<u>30,000</u>
REVENUES OVER EXPENDITURES	\$ 3,976

COURT

REVENUES	\$ 310,100
EXPENDITURES	<u>308,670</u>
REVENUES OVER EXPENDITURES	\$ 1,430

FORFEITURE FUND

REVENUES	\$ 0
----------	------

EXPENDITURES	<u>0</u>
REVENUES OVER	
EXPENDITURES	\$ 0

CAPITAL IMPROVEMENT FUND

REVENUES	\$ 65,000
EXPENDITURES:	
(Victory Project Financing)	<u>50,000</u>

REVENUES OVER	
EXPENDITURES	\$ 15,000

LIBRARY FUND

REVENUES	\$ 280,205
EXPENDITURES	<u>280,205</u>

REVENUES OVER	
EXPENDITURES	\$ 0

MONTEVALLO REGIONS CAPITAL RESERVE FUND

REVENUE

Library Debt Payments	\$ 70,776
-----------------------	-----------

Fire Truck Lease Payments	54,654
---------------------------	--------

10% of 1 Cent Tax	<u>64,175</u>
-------------------	---------------

TOTAL	\$189,605
-------	-----------

EXPENDITURES

City Hall	97,500
-----------	--------

Police - Vehicles	46,000
-------------------	--------

Fire Dept – Capital	15,000
---------------------	--------

Misc. –	20,500
---------	--------

Street Mower	<u>9,300</u>
--------------	--------------

TOTAL \$188,300

UNALLOCATED \$ 1,305

ADOPTED AND APPROVED THIS ____ DAY OF SEPTEMBER,
2020.

Mayor

ATTEST:

City Clerk

The City Clerk informed the council we discovered a few amendments which need to be made to the proposed budget. They are detailed in the following:

Budget Amendments:

- Request from SEA is \$5,000 for 2020. We budgeted \$3,000. If Council desires, we can increase their funding by \$2,000 using our remaining unallocated funds.
- I failed to include the \$22,000 Restitution (Application Fee) transfer from Court in the GF Budget, as well as a portion (\$10,000) of the other restitution budget. Adding those to the General Fund will increase 10-4124.49020 to \$32,000.
- We also failed to include the cost for the car tag cameras already approved by the Council of \$20,400 per year. We need to add that cost to Police Dept's line-item 10.4210.84032 (Capital Other).
- Olivia also found an error in her budget. 10-4600.80550 (Dumpster Expense) should be \$16,000 instead of \$8,000.
- In addition, we received a quote from Gorrie Reagan for security camera installations at the recycling Center, Shoal Creek Park and Orr Park. The cost for this is \$14,069.07. We propose using a portion of the excess funds in our ALDOT project account (\$42,598.13 in that account) to pay for those cameras. The remainder of that account needs to be transferred to the General Fund and that account closed.
- Gorrie Regan also provided up with a quote to maintain all of our camera systems, as well as our electronic door system at City Hall, for \$8,060 per year. We propose adding

this expense to 10-4151.80275 (City Hall Computer Services & Expense). In order to fund this additional expenditure, we propose decreasing 10-441.84035 in Golf by \$8,000, leaving \$2,000 for possible transition costs at the course.

- Our GF Budget as originally proposed started out with a positive, unallocated ending balance of \$2,867. Making these changes would result in a positive, unallocated balance of \$4,407.

In addition, the City Clerk discussed the possibility of an overtime buy-back program. Given our limited resources due to COVID-19, the City Clerk recommended the following:

Vacation Time:

Under 6.3.3 of the proposed Handbook, we recommend amending that section to read as follows:

*6.3.3. Maximum Annual Leave Accrual. **Beginning December 31, 2022**, annual leave cannot be accumulated in excess of*

- *15 days (120 hours) for employees with less than 7 years of service.*
- *20 days (160 hours) for employees with 7 to 15 years of service*
- *25 days (200 hours) for employees with over 15 years of service.*

All other unused accrued annual leave hours will be forfeited at the end of the calendar year. If an employee is unable to take annual leave because of work conflicts, the Appointing Authority may allow additional accrual based on the circumstances. In addition, from time to time, the City Council may, at its discretion, authorize buy-backs of accrued annual leave.

The Council agreed that the amendments to both the budget and handbook made sense and should be included for consideration at the upcoming council meeting.

There being no further business before the council, the meeting was adjourned at 4:29 p.m.

Submitted by:

Herman Lehman