

**CITY OF METTER  
BUDGET WORKSHOP  
WEDNESDAY, JUNE 26, 2019  
5:00 P.M.**

A budget workshop was held at City Hall on Wednesday, June 26, 2019 at 5:00 p. m. in the Council Chambers.

Attending the meeting were the following officials:

Mayor Edwin O. Boyd  
Mayor Pro tem Chyrileen Kilcrease  
Councilman Brandon Sikes  
Councilwoman Rashida Taylor  
Councilwoman Amy Harrelson  
Councilman Paul MacGregor  
City Manager Mandi Cody  
City Clerk Angie Conner  
Finance Manager Cindy Collins  
HR/Purchasing Manager Missy Edenfield  
Public Works Director Cliff Hendrix  
Chief of Police Robert Shore  
Fire Chief Jason Douglas  
Director of Tourism/Business Development Heidi Jeffers  
Jerri Goodman, Metter Advertiser

Attending the meeting were the following guests:

Juan Taylor – Metter Fire Department  
Glyn Thrift – Chairman – Candler County Board of Commissioners  
Bryan Aasheim – County Administrator  
Brad Jones – Candler County Board of Commissioners  
Blake Hendrix – Candler County Board of Commissioners

**CALL TO ORDER AND WELCOME**

Mayor Boyd called the budget workshop to order and welcomed everyone.

**FY2020 Proposed Budget**

**City Manager’s Budget Message and Transmittal of the Proposed FY 2020 Budget for the City of Metter**

Transmitted herewith for your consideration is the City of Metter’s Fiscal Year 2020 General Fund Budget (ending June 30, 2020).

The FY 2020 Proposed Budget was formulated based on several important assumptions – many of them policy in nature- and all of which should be strongly evaluated and considered by the governing body. Any assumptions listed here that are not supported by Council should be communicated to the City Manager for adjustment. These budget assumptions are as follows:

**General Fund Assumptions:**

1. The Budget will be adopted, and accounted for, using generally accepted accounting principles, with Enterprise funds budgeted and accounted for using full accrual and accounting like private businesses. All other funds are budgeted and accounted for using modified accrual accounting in accordance with best practices and generally accepted governmental accounting standards.

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2. Assumes the economy will remain stable and like its current condition. Therefore, all projected revenues are based on FY 19 receipts to date as of June 20, 2019.
3. Assumes a ten percent increase (at a 50% payment rate) in the municipal tax digest based on recent re-assessments.
4. Reflects numerous decreases in line item expenditures as discussed at last Council work session. Line items are extremely lean. Many should be evaluated for possible amendment later in the year (revenues permitting).
5. Employee benefits have been reduced to eliminate the provision of short- and long-term disability insurance.
6. Employee retirement contributions have been reduced from six percent (6%) of salary to four (4%) of salary.
7. No changes in authorized personnel are being proposed. No wage increases or cost of living increase is proposed.
8. No transfer of fund balance is anticipated in the proposal.
9. No change in the millage rate is anticipated. However, to remain at the current rate of 11.99, it is likely that the re-assessment could legally equate this to a tax increase.
10. The FY 20 Proposed General Fund implements the 2018 Service Delivery Strategy Agreements with Candler County. Particularly:
  - a. The provision of Animal Control Services (valued at \$60,000) to the unincorporated areas of Candler County in exchange for the forgiveness of an \$84,000 payment from the City of Metter for Recreation services. This is year two (2) of the three (3) year commitment.
  - b. Unincorporated Candler County's contribution for Fire & Rescue Services at 50% of operations and 50% of capital.
  - c. Pays the 2018 outstanding balance of \$40,000 for jail and dispatch to Candler County.
11. Partner entity funding levels are calculated at 40% of the requested funding level in accordance with SDS proposed agreements. GBI and Communities in School funding are not subject to SDS. They remain at their FY 19 contribution levels. The Tree Board requested \$20,000 in funding but remained at the mandated \$8200 for Tree City status.

<b>Partner</b>	<b>Funding Level FY 2019</b>	<b>Requested FY 2020</b>	<b>Recommended FY 2020</b>
GBI Drug Task Force	\$8,500	\$8,500	\$8,500
Candler County Industrial Authority	\$25,000	\$70,000	\$70,000 * in accordance with SDS Agreement (60% / 40%)
Communities in School	\$6,600	\$12,000	\$ 6,600
Library	\$45,700	\$44,678.76	\$46,927 (40% / 40% / 20% BOE)
Airport	\$31,197.50	\$12,243.50	\$ 9,795 (60% / 40%) General Fund \$ 27,015 SPLOST CIP
<b>Total</b>	<b>\$ 126,997.50</b>	<b>\$ 153,422.26</b>	<b>\$ 135,222 / \$27,015</b>

12. Regarding City's contribution to the County general fund, for services provided the following is proposed:

<b>Service</b>	<b>FY 2019 Funding Levels</b>	<b>City of Metter Proposed FY 2020 Budget</b>
Tax Commissioner	\$11,000 for FY 18 and FY19	\$5,400
Inert Landfill	\$30,000	\$30,000
Recreation	\$0	\$0 (forgiven in exchange for animal control)
Dispatch	\$65,000	\$65,000

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Jail	\$40,000 for FY 17.	\$40,000 for FY 18. 10% jail surcharge on fines for FY 19
<b>TOTAL</b>	<b>\$146,000</b>	<b>\$140,400</b>

13. Divides salaries and benefit cost for Public works employees between appropriate funds.
14. Assumes adoption of a \$5 per water meter fee for streetlights effective July 1, 2019.
15. Assumes adoption of a \$120 life safety inspection fee for commercial customers receiving ISO benefits effective July 1, 2019.

**Sanitation Fund:**

- 1.** Assumes the previously adopted increase in Sanitation Rates in order to recover the cost of operations and maintenance for this service. Rates will increase \$8 per month for residential service (from \$17 to \$25) and \$ 19 per month for commercial services (from \$23 to \$36 month) effective July 1, 2019.
- 2.** Assumes a 10% cost allocation to the General Fund.
- 3.** Assumes assumption of a payment on the forthcoming knuckle boom truck.
- 4.** Treats this as an enterprise fund as required by the Uniform Chart of Accounts.

**Water/ Sewer Fund:**

1. Assumes that this fund will be self- supporting without assistance from the General Fund.
2. Assumes a transfer of funds in the form of a cost allocation to the general fund representing 20% of the cost of operations for the General Fund’s Department of Administration.
3. Assumes application for and assumption of a \$1 million GEFA loan for infrastructure improvements (payment of approximately \$60,000 per year for twenty years). The projects are shown in the FY 20 Capital Improvement Plan and the payments are reflected in the water/sewer enterprise fund under the line item “GEFA- new”.
4. Assumes that rates will be classified by customer class: residential and commercial; and inside and outside the municipal limits.
5. Assumes a rate increases effective January 1, 2020 as shown: (Only the FY 20 rates would be adopted. The other years are shown for planning purposes only).

**Residential Water Customer: Inside City Limits**

	FY 19	FY 20	Proposed FY 21	FY 22	FY 23	FY 24
Base Charge	\$9.00	\$20.00	\$26.00	\$33.80	\$43.94	\$57.12
1 <sup>st</sup> 1,000 Gallons	Included	Included	Included	Included	Included	Included
1001-3000 gallons	\$2.30 per thousand	\$3.00 per thousand	\$3.30 per thousand	\$3.56 per thousand	\$3.67 per thousand	\$3.78 per thousand
3001-10,000 gallons	\$2.76 per thousand	\$4.00 per thousand	\$4.40 per thousand	\$4.75 per thousand	\$4.89 per thousand	\$5.04 per thousand

**Residential Sewer Customer: Inside City Limits**

	FY 19	FY 20	Proposed FY 21	FY 22	FY 23	FY 24
Base Charge	\$9.00	\$20.00	\$26.00	\$33.80	\$43.94	\$57.12
1 <sup>st</sup> 1,000 Gallons	Included	Included	Included	Included	Included	Included

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1001-3000 gallons	\$2.36 per thousand	\$3.25 per thousand	\$3.58 per thousand	\$3.86 per thousand	\$3.98 per thousand	\$4.10 per thousand
3001-10,000 gallons	\$3.05 per thousand	\$4.25 per thousand	\$4.68 per thousand	\$5.05 per thousand	\$5.20 per thousand	\$5.36 per thousand

Commercial Water: Inside Municipal Limits

FY	FY2019	FY2020	FY2021	FY2022	FY2023	FY2024
Base	\$9.00	\$25.00	\$32.50	\$42.25	\$54.93	\$71.40
1001-3000 gallons	\$2.30*	\$3.00*	\$3.30	\$3.56	\$3.67	\$3.78
3001-10,000 gallons	\$2.76	\$4.00	\$4.40	\$4.75	\$4.89	\$5.04

\*Price is per thousand gallons

Commercial Sewer: Inside Municipal Limits:

	FY 19	FY 20	FY 21	FY 22	FY 23	FY 24
Base	\$9.00	\$25.00	\$32.50	\$42.25	\$54.93	\$71.40
1001-3000 gallons	\$2.36*	\$3.25*	\$3.58	\$3.86	\$3.98	\$4.10
3001-10000 gallons	\$3.05	\$4.25	\$4.68	\$5.05	\$5.20	\$5.36

\*Price is per thousand gallons

**Special Revenues and Capital Improvement Plan:**

For this proposal, a separate six- year capital improvement plan is also presented. The spreadsheet identifying those projects, their cost estimates, and implementation schedule are included herein. Only those projects with FY 2020 expenditures will be requested for authorization. The remaining timeline is for financial and project planning purposes and should be used for informing the review of the proposed budget, but not considered for immediate authorization.

Funding for the capital improvement plan drives from the following revenue sources:

- \$42,000 transfer from the general fund to support a lease payment on the recently acquired Edmunds financial software for City Hall, a lease payment on a copier for City Hall and a Public Announcement system.
- Repair and Replacement funds for priority 1 level water and sewer line replacements from the proposed GEFA note.
- TIA (TSPLLOT) reimbursable grants for approved transportation projects and TIA discretionary funds for other transportation projects.
- A proposed note from the Georgia Infrastructure Bank or a bond issue that would provide for paving cost not supported by TIA and associated drainage projects. Payments are scheduled to be made from TIA grant funds.
- SPLOST 2005 funds to replace the Fire Station and rehabilitate the Lillian Street building.
- SPLOST 2011 funds for vehicles and equipment including public safety radios and repairs to fire hydrants, public utilities including line repairs and the addition of needed fire hydrants, drainage work, and resurfacing projects. Completion of the entrance signs to the City are also included. It also includes a revenue line for capital contributions from Candler County for county wide fire equipment.
- SPLOST 2018 funds for vehicles and equipment, utilities, fire hydrants, and economic development projects including improvements to the visitor's center.

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It is my hope that this information has been presented in the most forthright form and responds to earlier direction issued by Council.

The following balanced budgets were presented:

General Fund	\$3,327,805.00
Hotel/Motel	\$ 174,295.38
Water/Sewer	\$1,249,493.00
Sanitation	\$ 502,309.00

### **Letter from County Administrator**

Mayor Boyd informed council that the city received a letter from Bryan Aasheim, County Administrator concerning animal control. The letter read as follows:

I am writing to make you aware that the County Commission has received and continues to receive an increasing number of complaints regarding animal control services. Although, we are aware of some of the challenges the City has faced in provision of services, under the shared Service Delivery Agreement the City of Metter is responsible for the operation of the animal shelter and providing animal control services throughout the county.

I am concerned that these services are not being provided to our citizens to the level of our expectation under the agreement. Additionally, I am writing to express concern that the City's current stance on animal control serves, in part, to create an environment where only extreme cases of animal need can be served due to the animal shelter being consistently full and unable to accept animals except in extreme situations. Under the Service Delivery Agreement, the County is foregoing approximately \$42,000, owed by the city to the county, in return for animal control services.

While we are sympathetic to the issues that have caused a reduced level of service during this year (renovation of the animal shelter, Tommy's injury), we feel that we have not received the level of service needed to serve the residents. We request that you provide us with a detailed plan for the ongoing provision of animal control and shelter services as well as identify backup plans for a) the temporary or permanent loss of use of the animal shelter, and b) the temporary or long term loss of animal control staff.

Mayor Boyd said that he believes the county is laying groundwork for getting out of the agreements with the city. As a result of the Service Delivery Strategy, the City will save \$3.5 million dollars on the tax base, but we haven't discussed the 4 million that we are losing.

Mayor Boyd said that he is upset that the city is being attacked. He said that he stands on the operation of the animal shelter and the fire department. Mayor Boyd said that our fire department can't be compared to Claxton or Lyons. He said that the Sheriff has been called only 6 times to help with animal control while Tommy has been out. Chief Shore stated that with Tommy out and Jennifer over-run the Police Department and the Sheriff's Department have been answering the initial calls and if needed Jennifer would go. Also, the shelter got backed up due to the renovations. Animal Control cannot work criminal cases regarding animals. We are coordinating with the Sheriff's Office on these types of calls. Mayor Boyd thanked Chief Shore for what they are doing.

### **Budget Discussion**

Mayor Boyd asked how many years we are required to release. He didn't understand why we released a five-year budget. He only thinks we need to release this year's proposed numbers.

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Councilman MacGregor wanted to know who sets the Industrial Development Authority Budget and how much to they have in savings. He said that the city has increased their contribution from \$25,000 per year to \$75,000. He said that he has a problem with this. Mayor Boyd stated that their budget handles their annual expenses. They can't raise their budget more than 5% without coming back. Councilman MacGregor wanted to know who sets the amount of their budget. Mayor Boyd said that we can request a copy of their budget. Ms. Cody said that she would forward him a copy of the CCIA budget.

Councilman MacGregor had concerns about the base fee on water and sewer going up from \$9.00 to \$20.00. He said that he couldn't vote on this. He said he would consider going up \$3.00. Councilman Sikes stated that we are already behind in revenues. Councilwoman Kilcrease stated that we need to be able to make necessary repairs. Councilman Sikes asked Mr. Hendrix about the existing loans. Mr. Hendrix said that one of the loans rolls off in 3 years, He said with aging infrastructure we need to increase revenue. Councilman MacGregor said that he could not support that big of an increase. Mayor Boyd stated that we are taking the recommendations from the study done by the University of North Carolina. Ms. Cody said that in June Council asked for a 5-year graduated rate increase and to reduce capital to include only 1 mill increase. The rate structure that has been presented today reflects these changes. She reminded council that we also talked about these changes at the May meeting. She said that there are a lot of pipes that need to be replaced and we discussed repairing the pipes before paving the streets. The TIA funds are coming in lower than expected. There is not enough money to pave all the streets that need repair. The water, general, and capital funds include a 1 mill tax increase, GEFA notes and bonds to complete rehab work. The TIA will be some money but not enough to complete all projects.

Mayor Boyd asked if we have money in Renewal and Replacement to fix William and Kennedy Streets. Mr. Hendrix said that we will probably need additional funding.

Councilwoman Kilcrease said that it all comes back to rate increases. Councilman Sikes said that if we don't do something we are just going to get further behind. Councilwoman Kilcrease said that we are at the point where something must be done.

Ms. Cody said that the budgets are balanced but if council decides not to adopt them then we will need to look at capital. Councilman MacGregor said that we have voted almost 50% increases in taxes in two years. He said that it breaks his heart seeing the employees loose long- and short-term disability. Councilwoman Taylor said that just because we cut it out this year doesn't mean we can't add it back later when we get more revenue.

Ms. Cody said that the streetlights went up about \$30,000 and we have seen a significant increase in property, liability and workers comp insurance. Mayor Boyd asked staff to pull the lighting contract with Georgia Power to see the terms.

Mayor Boyd said that he agrees we got to do something about the capital projects in water. He understands the problem with TIA funds. He suggested contacting the Department of Transportation to see if we can move that money around.

Mayor Boyd said that Kennedy Street is mostly rehab and is the most expensive project. Williams St. between Pine and Neal needs sewer repairs. We need to make these repairs before repaving the streets. Mayor Boyd asked how many years before we have notes to fall off. Mr. Hendrix said that one note will fall off in 4 years and the other is many years.

Ms. Cody asked council what they are going to do about the water rates. The budget is balanced on all departments according to what was decided by Council at the last meeting. This included the sanitation increase, fire inspection fees for commercial, and the \$5 streetlight fee.

Councilman MacGregor said that we need to revisit the water budget. Councilwoman Taylor said that we have got to do something, and this is the best that we can come up with. Councilman Sikes said that this is hard to swallow but we need to move forward. Chyrileen agreed that the city needs to move forward. Councilwoman Harrelson said that this is just too much increase at one time and people can't afford all this

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at once. Mayor Boyd agreed that we may need to study the water increases more especially since we are talking about them not going into effect until January. He said that it will take 6 months to get a GEFA note in place and we will need the money in place to support the payment. Ms. Cody said that just increasing the base rate to \$14.00 is not going to cover everything so we will have to pull from Renewal and Replacement.

Mayor Boyd said that we have expended SPLOST funds for water and sewer. Ms. Cody said that she could look at it and maybe reorganize.

Councilman MacGregor suggested to table the water and sewer budget for further study. Councilman Sikes said that we could look at trimming the base charge and increasing the price per 1,000 gallons. Councilwoman Taylor agreed. All council members agreed to study the water and sewer rates more.

Ms. Cody explained that the general fund budget does include the \$5 public safety fee.

Mayor Boyd asked Mr. Hendrix to check on the piping project on Hiawatha and Kennedy Streets. Councilman Sikes stated that if we could get rid of that project then we could pay for the Burton Avenue project which is not included with the GEFA loan. Mr. Hendrix said he would check with the engineers.

Councilwoman Harrelson asked staff to check the salaries in water and wastewater because it is not adding up. She also suggested taking the PA system out of the administration capital budget.

Councilman Sikes asked why the increase in overtime in the streets and lanes department. Ms. Cody said it was for training on the new knuckle boom truck and for the changing of schedules.

Council agreed to table the water and sewer rate increase for further study. They agreed to start looking at it in September and have it ready for January 1<sup>st</sup>.

Staff will look at dates for releasing the proposed budget, holding the public hearing and adopting the budget.

No votes were taken during the budget work session.

### **ADJOURNMENT**

Mayor Boyd adjourned the work session at 7:19 p.m.

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Angie Conner, City Clerk