

Russell County Commission
Proposed Budget Meeting Minutes
July 29, 2019 10:30AM EDT

An adjourned meeting of the Russell County Commission was called to order for the July 29, 2019 county proposed budget review. Members present were: District 1, Gentry Lee; District 2, Carl Currington; District 4, Ronnie Reed; District 6, Chance Corbett; District 7, Larry Screws. Members absent: District 3, Chair Peggy Martin and District 5, Vice Chair Cattie Epps. The minutes were kept by County Administrator, LeAnn Horne and Assistant Administrator, Vickie Perry.

Commissioner Lee led the Pledge of Allegiance.

A quorum was established by the County Administrator by a roll call vote.

Commissioner Lee stated: People requesting appropriations are scheduled to present first. Commissioner Lee stated we will finish the list of requests then the Commissioners can ask questions. Commissioner Lee requested those present let the Commission know basically what your asking assistance for and what your area does.

The 2019/2020 appropriations were level funded with exceptions to:

Soil & Water Conservation \$2,500
Volunteer Fire Departments \$95,000
Joy Behind Bars \$750
Beyond Expectations \$2,000
Child Advocacy Center \$7,500
Stewart House \$1,000

Commissioner Lee stated: We will take a 7-minute break.

Commissioner Lee stated: We are back in session.

County Administrator LeAnn Horne stated: A draft balance budget is presented to you this morning. If you look under the revenues tab; they are essentially level funded except for a small increase in the area of ad valorem at this time in the fiscal year. Sales and use Revenues are down from this time last year. In trying to meet the demands on general fund which includes the transfers to other departments, I had to look in other funds for capital projects and expenditures.

Some departments were notified earlier in this year and this morning that I did make some changes and cuts in your budget. Based on the financial information available, these are necessary no significant increase in revenues for the general fund and in an effort to reduce fund balance which is being used as another funding source.

The amount that is budgeted is not the actual amount expended during the fiscal year. The county fortunately has never utilized the amount budgeted in reserves according to the reports provided to me. In your packet, there is report provided of budgeted vs actual that Mrs. Perry calculates for you by department that indicates the amount of reserves expenses or not. That is provided to you each year. Also, note that the departments are not anticipated to return as much due to rising cost of goods and services that are required for operational purposes. With the sales tax indicating a decline at this time, I did have to make some necessary cuts in order to provide a 3 percent cost of living raise for the County Employees.

I was able to do that, but I had to look at other ways to cut expenses in the general fund. I have reduced our budgeted fund balance. I want you to please note that.

There is a \$718,788 difference in fund balance. In my opinion you cannot continue utilizing the amount you have in fund balance. I have stated this in years past, that we could not continue using our reserves especially, when the departments are not returning as much to the bottom line which goes to our reserves and builds that fund.

The total proposed budget is \$315,888 less over last years. I had to reduce the transfer to the gasoline fund that GF has been contributing to. This was discussed the past two years. We have been contributing close to \$1 million or \$1.2 million just from general fund which I'm told was for operational expenses and for ATRIP. We have been paying for ATRIP now for several years.

The Sheriff has requested and received proposed funding for three SRO vehicles for SRO officers as well as new funding for the SRO deputies. The funding for the capital items are not in General Fund. General Fund would not support that expenses due to the transfer to engineering that remains.

Maintenance requested new courthouse roof, judicial and ceilings repairs. Replacement of two 50-ton HVAC units. They also have some electrical, computer equipment related to the HVAC and programming needs. This building was constructed in 1996. It has served us very well but now it is time for some larger maintenance and repairs. These expenses are in the cap improvement fund as well, not in General Fund.

Commissioner Lee stated: The departments that are here that just got their budgets, do you need time to go over that or are you pretty much sure what is in there and make sure there are no surprises? I am going to declare a two-hour recess. We will return at 1:00 p.m.

Commissioner Lee stated: We have a list to go by. Hopefully, we can go by a little faster. County Administrator Horne alluded this morning in her report, there is a 3 percent salary increase built into this budget. If we start making any big changes in the budget, then the salary increase will have to be looked at. To have a salary increase you need an increase in designated revenues which we don't have for designated for salaries. We sometimes have to cut stuff we have been doing before to give the salary

increase. The insurance has gone up. I am asking all Department Heads is there anything in your budget you need to talk about.

Probate Judge Harden stated: Commissioners the only thing, I need to speak with you about is I don't believe in going behind your backs and doing anything. My office is level funded except for one exception which is my salary. I have not had a salary increase since 2012 and I am informing it is in my budget. My budget will not change but I will be asking the Legislature to sponsor a bill for a salary raise for me in February. It will not increase my budget at all.

Sheppard Dearing with the Russell County Water Authority stated: Thank you for giving me just a minute. I run the Russell County Water Authority and Russell County Sewer Authority. They are two separate entities. Since coming on with the Water Authority, I have been able to take my knowledge and skillset and put it towards the Sewer Department and there are three things that need to be addressed associated with the Sewer Department. One, we have two sanitary sewer lift stations, one is twenty-two years old and one is 17 years old. There are significant improvements that need to be made to those. We have got \$48,100 in our bank account. That is 20 years of saving everything we have been able to save. Going towards about a \$58,000 repair. We are short \$10,000 just to maintain status quo where we are. Two, we have always maintained that fund in case of emergencies. If a pump goes out, we have a 45-minute response time. If it goes out, we have 45 minutes before it is overflowing. We have a budget line item of \$30,000. That is not something that needs to be done every year. That just needs to be set aside as an emergency fund. Something with very little effort we can get access to. The cost per day for pumping the lift station will be about \$2000 per day in an emergency. That is pretty much where these budgets are coming from for that. The other fact is the State Auditor's came in and did a very thorough examination of our accounting procedures and disbursements. The question was asked numerous times "how is the Sewer Authority being funded"; "there doesn't appear any revenue to support it".

We were able to explain, and they didn't make any formal findings or write anything formal, but informally you have got to do something about running a Sewer Authority with a very clear insufficient revenue. We raised rates as much as we thought on the 25 current customers that we have could stand. We are still short about \$70 per month per customer. If we can get one good sewer customer; then the revenues can offset that which is based on this year, our estimated cost of running the Sewer Authority. It is an industry standard that without tax funds a Sewer Authority cannot exist or several large industrial customers. But for 20 years it has because it is small however it has caught up with us now.

Commissioner Lee stated: How much do you think we need to budget to the Sewer Authority?

Sheppard Dearing stated: What our proposal would be is for us to send you a monthly bill of \$2,425 per month. That would be paid to us for operating it; not as a budgeted item or a department.

Commissioner Lee stated: Total amount right now you are asking for is?

Sheppard Dearing stated: I am not sure how you guys do your budget. Do you have an account that is set up that is restricted?

Commissioner Lee stated: All our accounts are restricted.

Sheppard Dearing stated: I am saying \$30,000 needs to be set aside.

Commissioner Lee stated: That is what we have proposed right now to send to the Sewer Authority is \$30,000 a year.

Sheppard Dearing stated: It would not be \$30,000 a year. This is money the County will hold in an account and I say, "I have an emergency" and I will get the money it is liquid.

Commissioner Lee stated: That has been done. Administrator did that.

Sheppard Dearing stated: The State Auditor's are saying we can't continue what we are doing and not charge a fee. We are going to have to charge the customer's or charge the County.

Commissioner Lee stated: A fee for what?

Sheppard Dearing stated: Running the sewer authority.

Commissioner Lee stated: I thought we were already sending you something to do that.

Sheppard Dearing stated: \$0 for 20 years was paid to us.

Commissioner Lee stated: What did you tell us we had in the meeting months and months ago, was it about \$900 a month?

Sheppard Dearing stated: I don't remember saying \$900 a month. Look at it as there is three separate baskets. You own sewer lines and sewer lift stations; I can take everything I have in savings and I need \$10,000 to fix it. That is one bucket.

Commissioner Lee stated: But you don't need to fix it right now.

Sheppard Dearing stated: I am saying you are on borrowed time. When it goes bad your going to be in the newspaper.

Commissioner Lee stated: So, of the \$30,000 we are holding in emergency you can pull \$10,000 from that?

Sheppard Dearing stated: Sure I can.

Commissioner Lee stated: Then we would only have \$20,000 and the next year we put another \$30,000.

Commissioner Screws stated: At the top you show \$29,100. That is for poles and management fees?

Sheppard Dearing stated: Yes, sir that would be for running the system year-round. That is this year.

Commissioner Screws stated: You are requesting \$69,300, \$30,000 of that goes in a fund that you can use to do repairs. Then the other \$39,000 would be for the management fee and capital improvement?

Sheppard Dearing stated: Yes. Starting October 30, 2019, we would like to send the County a bill for \$2,425 per month for management of the Sewer Authority. That is \$29,100 per year. That pays for all cost of managing the Sewer Authority.

Commissioner Lee stated: The revenue you get in from the customers where is that built in?

Sheppard Dearing stated: If you take our average revenue is about \$20,000 per year.

Commissioner Lee stated: That \$20,000 couldn't be used for part of the \$29,000.

Sheppard Dearing stated: The fee for Phenix City alone is \$13,000. If I don't do any other fees, I end up with \$7,500 operating for the Sewer Authority.

Commissioner Lee stated: I am in favor of wherever County Administrator Horne can find it from, let's take the \$30,000 and add the \$10,000 to it and he has got the \$48,000 that gives him almost \$100,000 to work with until next year.

County Engineer Shawn Blakeney stated: On contract services 304 can we move the money to line 541. We do not use contract services.

County Administrator Horne stated: Based on your request I can.

The vote was approved.

Emergency Management Director Bob Franklin stated: What I want to do is for me. I haven't received any kind of raise for Bob since I took this position. I have taken care of

my employees. If I need to, I can move some out of contract services or reduce it down, but I am trying to get my salary up to \$70,000.

Commissioner Corbett stated: I agree with that.

Commissioner Lee stated: What is your salary now?

Emergency Management Director Bob Franklin stated: \$63,000. The other change I had on there is moving a contract position to a part time position. That is what changed my salary line. Same money.

The vote was approved.

Sheriff Heath Taylor stated: Believe it or not, I am okay with my budget. Some of the things I had in my budget are just in different line items because of the funding issues Mrs. Horne stated. I am good, we don't have any major projects in this year's budget. We were trying to return enough to cover anything new. We are trying to return around \$700,000 but it's end of July with two more months to go. The three new part time SRO officers are payed by the School Superintendent, the salaries would be \$90,000 and that would give us in Russell County 8 deputies per school. We will have a deputy in every Russell County School. I am excited about that because we have had to rotate deputies from school to school. Vickie will need to put that money back as it is paid.

County Engineer Shawn Blakeney stated: I am good.

Commissioner Lee stated: I will entertain a motion to approve the General Fund portion because that is all we have talked about today.

Commissioner Corbett motioned to approve. Seconded by Commissioner Reed. The vote was approved.

Commissioner Lee stated: Can we approve the salary schedule with a 3 percent raise except for Emergency Management Director Bob Franklin?

Commissioner Reed stated: Before we go any further, I would like to know how much money we have taken out of reserve? Is there going to be any extra money or what?

County Administrator Horne stated: What do you mean extra money?

Commissioner Reed stated: Some departments requested a little more money. Will everything stay the same?

Commissioner Lee stated: We may have to take a little more out of that reserves to balance the budget based on the changes today.

Commissioner Reed stated: That is what I want to know. How much more?

Commissioner Lee stated: I don't know that right now but not enough to worry about. The only thing we added on to was the appropriations and that wasn't much. It was less than \$15,000.

Commissioner Corbett stated: I make a motion to change the appropriation Russell County Volunteer Fire Department from \$90,000 to \$95,000. Seconded by Commissioner Currington. The vote was approved.

County Coroner Arthur Sumbry, Jr. stated: I am going to follow suit with what the judge did because Legislature wise I proposed for a salary increase. I was going to come to before the Commissioners just as the same I did last year, but because he is asking Legislature, I will do the same proposal.

County Administrator stated: I did budget for a new Van as you requested.

Commissioner Lee stated: Road and Bridge the revenue is projected to go up about \$110,000. The expenses projected to go up is about \$110,000. The only increase is for vehicles which is \$290,000 next year instead of \$195,000 next year.

County Administrator Horne stated: I will be out, and I have talked with Vicky Perry the Assistant County Administrator about Mr. Franklin who will be helping her because I handle the administrative side and she handles the bookkeeping for the County. She indicated she would attend all meetings for me to include attending Planning Commission Meetings.

Commissioner Screws stated: I ask in the first meeting, we all get a copy of the Road and Bridge Report.

County Administrator stated: once it's updated from today's changes, yes sir.

Commissioner Lee stated: We are fixing to approve it right now.

Commissioner Screws stated: I don't mind approving it, but I would like a copy.

Commissioner Lee stated: I am entertaining a motion for the approval of the Road and Bridge budget with the understanding that all Commissioners will receive a hard copy of an email copy of it.

Commissioner Reed motioned to approve. Seconded by Commissioner Currington. The vote was approved.

Commissioner Lee stated: I propose we approve the salary schedule which will be the same as last year's schedule except with some new positions added in the Sheriff's Office with a 3 percent across the board increase in last year's salaries except for Mr. Franklin getting \$5,000 to bring his salary up to State level.

Commissioner Corbett stated: It is \$5,000 on top of the 3 percent.

Revenue Commissioner Naomi Elliot stated: I did not go over my budget, but everything is okay.

Administrator Horne stated there are a couple of part time positions changes to full time or their salary adjusted. This is the only time of year to handle those type requests.

Commissioner Lee stated: Any other questions?

Commissioner Reed motioned to approve the vote. Seconded by Commissioner Corbett. The vote was approved.

County Administrator stated: I do want to caution all the Department Heads. I am going to cut the budget off very soon so we can reconcile and manage the expenses except for emergency expenses.

Commissioner Lee stated: I entertain a motion to adjourn.

Commissioner Currington motioned to adjourn. Seconded by Commissioner Reed. The vote was approved.

Attest: _____ Signed: _____
County Administrator Chair

