

**Palmetto City Council
Budget Workshop
September 12, 2002 4:00 PM**

Elected Officials Present:

**Larry Bustle, Mayor
Mary Lancaster, Vice Mayor
Shirley Bryant, Council Member
Tamara Cornwell, Council Member
Charlie Grace, Council Member**

Elected Officials Absent:

Brian Williams, Council Member

Staff and others present:

**Karen A. Conlon, City Clerk
Garry Lowe, Chief of Police
Capt. Clyde Hedrick, Captain
Allen Tusing, Public Works Superintendent
Jim Keranen, Finance Director
Bill Hawthorne, CPA Associates
Diane Ponder, Administrative Assistant**

Mayor Bustle called the meeting to order at 4:06 p.m.

Mayor Bustle opened the meeting with a prayer followed by the Pledge of Allegiance to the United States Flag.

Council was presented with a "balanced budget" using the 4.1645 millage rate. All salary adjustments were at 1.75%, with associated expenses adjusted to reflect the same rate.

Mayor Bustle reviewed the cuts he and the Department Heads had made. He reported all people contributed equally and no pet projects had been preserved. The end of the exercise saw a \$100,000 shortfall so positions were deleted to balance the budget. Mayor Bustle reviewed the individual items on the cut list, a copy of which is attached hereto and made a part of these minutes.

Mr. Hawthorne discussed the General Fund, stating 60% of the fund's expense is payroll related, so if significant cuts are made they have to come out of payroll.

Mr. Hawthorne also discussed the fact that in the past funds from the reserve account had been used in the budgeting process. Mr. Hawthorne spoke about the anticipated fund balance of \$2 million and the Trailer Park Fund balance of \$2 million. He explained that GFOA recommends a two to three month expense reserve, which would leave \$800,000 in excess funds for use in the budget process.

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Mayor Bustle recessed the meeting for 15 minutes.

Council unanimously agreed they did not want to cut employees, nor did they want to see services to the residents reduced. Council also agreed to lease vehicles, saving approximately \$195,000.

Discussion ensued on raising the millage rate one-half percent and using \$700,000 of the fund balance. Council requested a graduated pay raise for employees: below \$25,000 - 4%, \$25,000 to \$45,000 - 3.5%, above \$45,000 - 3%. In total agreement, Council instructed staff to take \$700,000 from the fund balance, use the \$195,000 from a one-half mill increase to fund the proposed salary increase and replace items on the cut list staff feels is imperative to continue the current level of service provided by the City.

Mrs. Conlon was instructed to contact Mr. Williams and update him of Council's instructions.

A Budget Workshop was scheduled for September 16, 2002 at 4:00 pm.

Meeting adjourned at 5:50 pm.

Minutes approved: October 7, 2002



**Karen A. Conlon
City Clerk**