

The special meeting of the City Council of the City of Newnan, Georgia was held on Tuesday, December 14, 2021 at 6:00 p.m. in the Richard A. Bolin Council Chambers of City Hall with Mayor Keith Brady presiding.

CALL TO ORDER

Mayor Brady called the meeting to order and delivered the invocation. He indicated that the purpose of the meeting was to hold a public hearing for the 2022 budget.

PRESENT

Mayor Keith Brady: Council members present: Ray DuBose; George Alexander; Paul Guillaume, Dustin Koritko, and Rhodes Shell. Council member absent: Cynthia E. Jenkins. Also present: City Manager, Cleatus Phillips; Assistant City Manager, Hasco Craver; City Clerk, Megan Shea; Planning Director, Tracy Dunnavant; Public Works Director, Michael Klahr; and City Attorney, Brad Sears.

PUBLIC HEARING- 2022 BUDGET

Mayor Brady opened the public hearing.

The City Manager presented the proposed 2022 Budget. Very proud that the City received the Distinguished Budget Award for 2021 from the Government Finance Officers Association for the 32nd year in a row. He gave an overview of budget challenges for 2022 including personnel costs and rising salaries, increase in benefit costs, recruiting qualified candidates and increase in fuel costs. With all of these challenges service levels must be maintained and that is a priority.

An overview of the General Fund was given as that is the City's main operating fund. Looking at a 5-year budget trend, there was an increase from \$24 million to just over \$30 million. The budget is balanced and there was no use of reserves and no proposed tax increase. Trends show an increase from 5% to 8.6% change with last year being less due to Covid.

A 5-year history of Revenue was discussed, showing an upward trend and continued conservative approach. Top revenue categories include LOST (Local Option Sales Tax) which is the predominate category surpassing property taxes. Current year 2021 there is a 21% increase in sales tax. Most other categories are up slightly.

Major operating expenses are with employees, wages and benefits make up about 75% with wages being about 47%. Operating expenses make up 20% and capital only 5%. In the last 5 years there has been a 21% increase in wages that was budgeted and 43% increase with benefits. Expenses by function show a large portion of funds on public safety and that is common for local government authorities. Major Operating expenses include contractual services, repairs & maintenance and new vehicles. There are not a lot

of changes except with new vehicles including 8 police vehicles, 4 high mileage vehicles and 1 dump truck. Additionally, Municipal Court Services, website overhaul and professional services for Caldwell Tanks have been included for 2022.

Benefit changes over the past 5 years show increases in insurance after the City went self-funded last year and retirement which will be discussed more next year. Workers Comp is stable and City Manager is proud of that program.

Employee summary was given, showing 6 new employees proposed at around \$266,936 total. Proposed to move starting positions at Pay Grade 9 with minimum salary of \$15.33. This helps the City stay competitive in recruiting. The COLA increase was presented at 3% in the draft budget, \$533,610 total. The City Manager explained that the City continues to have recruitment and retainment issues. There are a lot of cities and counties making drastic salary changes and so the request was made to change from 3% to 5% COLA, which would be an additional \$362,000. The City Manager also requested an adjustment to fuel, increasing it by 15% or just under \$65,000.

Mayor Brady suggested hiring a Construction Manager to help with affordable housing projects, bidding and securing contractors etc. He asked the City Manager how that would work in the budget? The City Manager stated we are limited resource wise with housing, the planning department is already busy. The grade for the position would have to be looked at and whether it would be full-time or contract and benefits. There is also a possibility to use insurance premium tax. There was a discussion as to whether there is enough work for this position to be full-time or should it be contract per unit. City Manager explained that with lots potentially under construction and possible future housing program there would be plenty of work and that will depend on Council.

Council then asked about the City's retention rate. City Manager stated the retention rate is good. The police department gets the most attention and there are usually 4-5 open positions at any time. There are rarely openings in the fire department unless someone retires, the two proposed positions are to balance shifts.

City Manager gave a final overview, all funds combined, the total budget is \$43,920,091. This is a 3% decrease from 2021, mostly contributed to SPLOST 13 which will be exhausted this year.

City Manager would like to get changes out to Council and public with the proposed changes and then an ordinance to be approved in January. This will include the 2 proposed changes (COLA and Fuel) and addition of a construction manager position.

Mayor Brady closed the public hearing.

ADJOURNMENT

Motion by Councilman Alexander, seconded by Mayor Pro Tem Shell to adjourn the Special Council meeting at 6:25pm.

MOTION CARRIED. (7-0)

Megan Shea, City Clerk

Keith Brady, Mayor