

May 26, 2009

SPECIAL CALLED MEETING - MINUTES

Mayor Winfred Shoopman called the Special Called Meeting of the Clinton City Council to order at Clinton City Hall on May 26, 2009 at 4:30 pm.

Guests and staff present:

Steve Jones	Vickie Fagan	Dustin Hensley
Scott Gregory	Greg McBroom	Bruce Morgan
Cecil Narramore	Matt Howell	Wade Brock
Eugene Simpson	Anthony Simonds	John Davis
Michael Seivers	Robert Buffalo	Curtis Wilkerson
Larrell Dugger	Leroy Vann	Dwayne Wilkerson
Phil Saunders	Jimmy Webber	Charlie Holbrook
Jason Stone	Dwight Brock	Mitchell Cox
Justin Hill	Keith Stephens	Mark Saunders
Bill Riggs	Jr. Irwin	Lonnie Poore
Larry Miller	Russell Barker	David Queener
Jim Sanderson	James Davis	Leslie Tumblin
Sherry Bryant	Ronald Young	Bob Fowler
John Miller	Jennifer Jenks	Ron Bridgeman
Vaughn Becker		

Councilman Scott Burton, Councilman Larry Gann, Councilman Jim McBride, Councilman Charles Lyons, Councilman Jerry Shattuck and Councilman Clay Wright were present for the meeting.

Mayor Winfred Shoopman led the meeting in prayer and the pledge of allegiance.

Steve Jones presented his recommendation last Monday that included a 23¢ property tax increase. Mr. Jones also noted that he is working closely with the property assessor to get all properties added to the tax roll. Mr. Jones also reminded Council that the state legislature will convene the second week of June.

Ordinance # 562 FY 2009/2010 Budget – Councilman Jerry Shattuck made the motion to approve Ordinance #562 on first reading and was seconded by Councilman Scott Burton. Councilman Shattuck offered amendments to Ordinance # 562. Councilman Shattuck proposed amending local property taxes with an increase of 3% growth and noted that the City Manager had not included any properties not currently on the tax roll. The growth of 3% will add approximately \$53,000 and the addition of the Aisin expansion and Food City will add \$77,000 for a total increase of \$130,000 to property tax

revenues. Councilman Shattuck based the 3% growth on building permit numbers and proposed total revenue for property taxes of \$1,886,542.

Councilman Jerry Shattuck proposed increasing sales tax numbers from \$2,900,000 to \$3,400,000. Councilman Shattuck noted that the businessmen that he had spoke with felt that the economy was in the recovery mode. With the increase to sales tax and property tax, the total local tax revenues would be \$7,568,980 and total revenues would be \$9,898,163.

Councilman Shattuck proposed cuts on the expenditure side by eliminating the animal control position and an administrative position for a savings of \$84,000 for total expenditures of \$9,095,275 with an excess of \$243,088. With the proposed increases in revenue and decreases of expenditures there would be no tax increase and the property tax rate would remain 73¢. Councilman Jerry Shattuck made the motion to adopt the above amendments and was seconded by Councilman Charlie Lyons.

Councilman Clay Wright disagreed with the proposed increases in property tax and sales tax noting that two years ago the Council did the same thing and projections were not meet. Councilman Wright noted that he had learned his lesson two years ago and would not repeat the same mistake. Councilman Shattuck noted that he had made the motion two years ago and that property tax revenues exceeded expectations and noted that last year expectations were not meet. Councilman Wright expressed his concern that due to the economy that people are not getting enough to spend and therefore sales tax would not increase.

Councilman Scott Burton felt that the property tax numbers were okay and the sales tax projection is aggressive and it was a good start to the budget. Councilman Burton commended Councilman Shattuck for his proposal. Councilman Jerry Shattuck stated that he did not want to cut any employees unless necessary.

Councilman Jim McBride noted that he liked Councilman Shattuck numbers but questioned why 2007 taxes were not on the tax roll. Steve Jones replied that it is a process that he's not familiar with and in the past he has tried to use building permit numbers to project increases without any success. Councilman Clay Wright informed council that the Eagle Bend expansion has yet to be placed on tax roll and also stressed that if the tax increase was not addressed this year then council would certainly be addressing the problem next year. Councilman Jim McBride suggested looking at making cut at Green McAdoo rather than animal control. Councilman McBride felt that money that was due from the Association could be offset by volunteer help to staff the facility. Councilman McBride stated that the savings from staff would be \$51,000 and a cost of \$9,000 for utilities. There was further discussion regarding staffing Green McAdoo with volunteers. Mayor Winfred Shoopman noted that he could not support dismissing two employees and felt that the employees are worth 1 1/2¢ on the property tax rate and felt that taxpayers would agree. Mayor Shoopman reminded council that Green McAdoo took a place in history that was nearly lost. Mayor Shoopman reiterated that we need to keep

employees and services as they are. Mayor Winfred Shoopman suggested looking at each amendment made by Councilman Jerry Shattuck separately. Steve Jones reiterated that the request for a property tax increase is a one time request for FY 2009/2010. Councilman Clay Wright called for question on Councilman Jerry Shattuck amendments. Councilman Jerry Shattuck with drew his motion and Councilman Charlie Lyons seconded the motion. Councilman Jerry Shattuck made the motion to increase property tax projections of \$1,886,542 including taxes for Aisin and Food City and 3% growth with no tax increase. Councilman Scott Burton seconded the motion. The motion was moved to carry unanimously.

Councilman Jerry Shattuck made the motion to increase projections for sales tax from \$2,900,000 to \$3,400,000 and was seconded by Councilman Scott Burton. Steve Jones expressed his opposition and Councilman Clay Wright agreed noting past experience two years ago. Councilman Scott Burton commented that even though we may not meet expectations next year we will have a better view of the economy and even if we fall short on fund balance then so be it. Councilman Clay Wright noted that he was very optimistic several years ago and has learned from his mistake. Councilman Jim McBride reiterated that the City has to stop spending money even if something comes along that may no come along again we have to quit spending money and say no to opportunities that come our way. Councilman Jerry Shattuck felt that the estimates were not unreasonable. Councilman Clay Wright called for question. The motion was moved to carry with Councilman Clay Wright and Mayor Winfred Shoopman voting no. Mayor Winfred Shoopman reminded council that our financial problems are not all due to spending noting the loss of \$300,000 sales tax monies and state shared taxes and that if we still had the \$300,000 per year of sales tax monies it would be a different situation.

Councilman Jerry Shattuck made the motion to eliminate animal control and an administrative position for a savings of \$84,000. The motion died from a lack of second. Councilman Shattuck suggested that if the property tax rate were raised 5¢ it would raise \$126,040 and would cover the cost of animal control and an administrative position plus the cost for running Green McAdoo.

Councilman Jim McBride made the motion to look at Green McAdoo being staff by volunteers for a savings of \$30,000 and getting the Green McAdoo Cultural Organization to supply the volunteers. The motion died from a lack of a second. Steve Jones commented that for the last several years the City has been very lean and would be opposed to anyone being laid off. Steve Jones offered a different perspective as it pertains to industrial prospects noting that what sets Clinton apart from other cities is our schools, library, police etc. The impact of losing services would not only affect residents but prospects looking to locate here which would impact future growth.

Steve Jones informed council the Chairman of Green McAdoo Cultural Organization would be at the June meeting to answer Council's questions.

Councilman Jerry Shattuck noted that with the approved amendments the fund balance is only \$160,000 and that is not enough. Councilman Jerry Shattuck made the motion to increase property tax rates by 5¢ per \$100 to 78¢ per \$100 generating \$126,000 additional revenue and increasing the fund balance to \$285,888 and was seconded by Councilman Larry Gann. Councilman Shattuck commented that the CPI has increased 45% since the last time that we've had a tax increase. The motion failed with Councilman Scott Burton, Councilman Jim McBride, Councilman Charlie Lyons and Councilman Clay Wright voting no.

Councilman Jerry Shattuck made the motion to adopt Ordinance #562 on first reading as amended and was seconded by Councilman Charlie Lyons. The motion was moved to carry with Councilman Clay Wright voting no.

Councilman Scott Burton made the motion to adopt Ordinance # 563 on first reading with a property tax rate of 73¢ and was seconded by Councilman Jim McBride. The motion was moved to carry unanimously.

The meeting was adjourned the meeting at 5:39 pm.

Mayor Winfred Shoopman

Attest:

Vickie L. Fagan, City Recorder