

Revised 07/05/06  
City of Doraville  
Budget Hearing  
June 22, 2006

Present: Mayor, Ray Jenkins  
Council, Marlene Hadden  
Jason Anavitarte  
Donna Pittman  
Ed Lowe  
Bob Spangler  
Tom Hart

City Attorney, Rick Powell

Mayor Jenkins called the Budget Hearing to order. Mayor Jenkins presented the Council with the proposed budget for 2006-2007 and stated that he would take questions from the Council and then the citizens. Mayor Jenkins asked the citizens to limit their input to 3 minutes.

The Mayor stated that he had held numerous work sessions with the Department Heads and the City Council. The Mayor stated that the proposed budget included the merit raise system, with a ten step pay scale for the Police Department, a \$4,000.00 raise for Department Heads and a 1.5 % increase for all other employees.

Mayor Jenkins stated that he was presenting a balanced budget and that the City would not have to use and retained earnings to fund the budget.

Mayor Jenkins stated that the City was putting forth an effort to attract new businesses in lieu of the GM closing. The GM closing will not affect the 2006-2007 budgets. Examples of this is Brandsmart and the Lexus Dealership,

Mayor Jenkins thanked the Council for working with him on the budget for the continued growth of our great City.

Council Member Hart asked how much the 2006-2007 budget had increased over the 2005-2006 budgets. Mayor Jenkins stated the 2006-2007 increase was approximately \$863,000.00.

Council Member Pittman asked if the budget included a pay raise for the City Inspector. Mayor Jenkins stated that the budget included a pay raise for each Department Head of \$4,000.00.

Council Member Spangler stated that the Council had voted to only give a 1.5% increase for the merit raise.

Council Member Hart stated that the City of Doraville was located in the Metro Atlanta area and if the City wanted to retain qualified employees then the wages had to be competitive.

Council Member Spangler stated he agreed with Council Member Hart but that the salary studies should be geared to Cities the size of Doraville, not Sandy Springs and Decatur.

Council Member Pittman agreed with Council Member Hart. The City of Doraville has to be competitive with other Cities for qualified employees. Council Member Pittman stated that the goal of the City was to attract and retain qualified employees.

Council Member Spangler stated that the ten step pay scale needed to be researched. He again stated that the Council had voted on a 1.5% increase for all employees.

Council Member Anavitarte stated that a survey of 4 cities did not provide enough information and agreed with Council Member Spangler that this needed further research. Only one Department had submitted the salary survey information and there is not enough data to justify a \$4,000.00 increase for all Department Heads at this time.

Council Member Spangler asked when the ten step pay scale and the \$4,000.00 for each Department Head had been discussed. This was the first that Council Member Spangler had heard of this. Priscilla Murphy stated that the budget work session had been moved to 6:00 p.m. so Council Member Spangler could attend. Council Member Spangler stated that he had asked Priscilla Murphy to allow him to meet with the Department Heads because he could not attend the budget work sessions. Council Member Spangler stated that everyone knew that he could not attend the budget work sessions.

Mayor Jenkins stated that this is a balance budget and did include the Police Department 10 step pay scale. Mayor Jenkins asked if everyone was familiar with this.

Council Member Hart stated that the budget is over \$800,000.00 more than last year. Council Member Hart asked if the Council was going to take each department on a one on one basis. Mayor Jenkins stated that some cuts had already been made.

Mayor Jenkins stated that the proposed raises for the year are the 10 step pay scale for the Police Department, \$4,000.00 for each Department Head and 1.5 % for all other employees. Mayor Jenkins stated that the \$4,000.00 pay increase for Departments Heads amounted to \$20,000.00

Council Member Hadden asked if the cost for the three studies that Council Member Anavitarte had asked for was included in the proposed budget.

Mayor Jenkins stated that \$50,000.00 had been included in the budget for the three studies.

Council Member Hadden stated that there was one other study that Council Member Anavitarte has proposed that we do through the Carl Vinson Institute. Mayor Jenkins stated that the studies were for the impact of City services for the proposed annexation and the GM closing, the other one was through Georgia Tech.

Council Member Hadden stated that there was another study approved. Mayor Jenkins asked what the study was. Council Member Hadden stated that she called it a time motion study. The Carl Vinson Institute would come in and assess our Departments and tell us where we needed to cross train people and whether we needed full time employees or part-time employees. The City would save money by not having to pay additional benefits and things along those lines. Council Member Hadden stated that the Council did ok this study. The Council did approve 2 studies from GMA. If we had included them doing our job descriptions, it was going to cost about \$16,000.00 but now we already have job descriptions so it would be less than \$16,000.00. The Mayor stated that he was not familiar with the one that Council Member Hadden was referring to. The Mayor asked Council Member Anavitarte to tell the Council about the time motion study.

Council Member Anavitarte stated that one study was for the impact on City services for the proposed annexation. One study is for the impact that the GM closing will have on service delivery and how we are operating as a City. The Mayor stated that the Impact Study for the GM closing was going to cost \$16,000.00. Council Member Anavitarte asked if that dealt strictly with city government or is it a broad study. The Mayor stated that it was a broader economic study because that is what Council Member Anavitarte had asked for. The other is for the Georgia Tech project. The City will have to pay for the research and the development of the annexation maps.

Council Member Hadden asked what was the difference between the Annexation Impact Study and the GM closing Study. The Mayor stated that it was two different studies. Council Member Hadden asked why they were different. Council Member Hadden stated that she knew that the State had asked for the City to provide them with an Impact Study on the proposed annexations. It was explained to Council Member Hadden that the Impact Study on the proposed annexation was to determine the number of additional employees that will be needed to serve the annexed area and the cost of providing those services to the proposed annexation area and where the money will come from to provide those services.

The GM closing Study will determine the economic loss to the City and how that will affect services now provided by the City. That Study could help us on this budget and show us how to save money and reverse the trend of a spiraling budget.

Mayor Jenkins asked if the Council wanted him to call the Carl Vinson Institute and combine the two studies. Council Member Anavitarte stated that was what he wanted.

Chief King stated that the Police Department would not need any more Police Officers, for the first year, to cover the proposed annexation area. The Police Department will need a year to determine how many additional Officers will be needed.

Council Member Hadden asked what would be a better name than time motion. Council Member Anavitarte stated that we needed to tell the Carl Vinson Institute exactly what we want and they can tell us what the name of it is.

Mayor Jenkins stated that \$50,000.00 had been budgeted for studies and that should cover the expense for the studies listed above.

Council Member Lowe asked if the 11% increase in the health insurance premiums was going to be passed along to the employees.

Council Member Lowe stated that this is a raise in itself and should take care of any merit raise that anyone should receive. Let's take the merit raise completely out of the picture.

Council Member Hadden stated that the employees should contribute something towards the cost of the health insurance increase each year.

Council Member Lowe stated that if the employees paid the 11% increase in the health insurance then we could give them a merit raise.

Council Member Lowe stated that the City was trying to save money but yet is budgeting \$50,000.00 for studies.

Council Member Hart stated that he was trying to figure in his head how much money the City was spending to plan the plan when the rubber has not hit the road yet. Thousands of dollars are being spent on planning and studies. What is the outcome when nothing happens at the other end?

Council Member Anavitarte stated that the studies would show where the City could save money and where money was being wasted. Council Member Anavitarte stated that in his opinion the City should have changed insurance companies this year and the budget is \$2,000,000.00 in the wrong direction. Council Member Anavitarte stated that he had voted against staying with Blue Cross because it was the most expensive health care package out there. Council Member Anavitarte would like to know what is out there among other Cities.

Council Member Lowe stated that when he voted on the Blue Cross Insurance he was under the impression that the additional cost was going to be passed along to the employees and he found out afterwards that this was not the case.

Council Member Anavitarte stated that if the Council addressed the health insurance cost issue. Addressing the health insurance issue would cut cost and help in reducing the total budget. The health insurance is the most expensive thing in our budget.

Council Member Lowe stated that health insurance and retirement was costing the City over \$1,000,000.00 per year.

Council Member Hart stated that the 11% cost to health insurance did not mean that the employees were getting a 11% pay raise.

Mayor Jenkins stated that in a work session the Council decided that the City would not cover any more increases in health insurance.

Council Member Hart stated that he would like to see what each employees makes including benefits. Then the City could see where they are lacking and the City could better compete with other Cities for quality employees.

Priscilla Murphy stated that the 11% increase in the health insurance would cost the City approximately \$92,000.00 per year. The dental and vision stayed the same. Only the cost of the health insurance went up.

Council Member Lowe stated that is a pretty good raise.

Council Member Hadden stated that not all employees are entitled to the 1.5% pay increase. Council Member Hadden stated that the Council had not received the information concerning who is getting what.

Council Member Pittman asked if the City was going to pass the extra cost of the health insurance along to the employees and not give any raises.

Council Member Pittman asked if the Council would consider passing part of the cost along to the employees. Council Member Hadden stated that she would agree to this.

Council Member Spangler stated that the Council needed more time to study the cost of the health insurance and see what other Cities are doing.

Council Member Hadden stated that the employees needed to contribute something to the cost of the health insurance. Perhaps \$15.00 per month for single employees and \$30.00 per month for employees with dependents.

Council Member Hadden stated that the City needed to look into a different type of retirement plan, perhaps a 401 K. The City is paying 100% of the City's retirement plan.

Chief King asked the Council to bring in some of the retired employees and ask them what they think of the retirement plan.

Priscilla Murphy asked if Council Member Hadden was talking about a 401K with a small match from the City. Council Member Hadden stated that was correct.

Council Member Anavitarte stated that an RFP should have gone out on the Insurance Brokers position. The Council did not have enough information to make a decision on the health insurance.

Council Member Anavitarte stated that the Council should revisit the health insurance issue. Something could have been done with raises if the City had chosen a different insurance company.

Council Member Anavitarte stated that the Council needed to deal with budget cuts now before the City goes into a recession.

Council Member Hadden wants a breakdown on who is getting the 1.5% and how much this 1.5% merit raise is going to cost each Department within the City.

Council Member Hadden stated that she was fine with the Police Department pay scales but she was not in favor of all Department Heads getting a \$4,000.00 raise.

Priscilla Murphy asked the Council how they felt about Council Member Hadden's proposal for the employees to pay a portion of the health insurance. \$15.00 per month would be taken out of a single person's pay and \$30.00 per month would be taken out for an employee with dependant coverage.

Council Member Pittman stated that if the employees received a 1.5% pay increase that the cost of the health insurance would be more than the raise.

Changes to the budget are as follows:

- Take out \$200,000.00 from park improvements. (parks budget)
- Take out \$14,000.00 from building improvements (administrative budget)
- Employee contributions to health ins. \$36,000.00
- Take out \$40,000.00 for paving (PD budget)
- Take out \$70,000.00 for computers (PD budget)
- Take out \$15,000.00 for security fence (maintenance budget)
- Take out contingencies (all departments) \$75,000.00

Total cuts amounted to \$450,000.00.

Council Member Hadden wants to see who is getting the 1.5% and how much it is going to cost the each Department within the City.

Council Member Hadden wants a minimum and maximum salary range for all employees and updated job descriptions for each employee.

Stewart Anderson asked if the benefits, paid by the City, were included in the pay scales.

Council Members will study the budget and give their proposed cuts to the Mayor, before the next budget hearing.

Mayor Jenkins adjourned the budget hearing.

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Ray Jenkins, Mayor

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City Clerk