

CITY OF LUTHERSVILLE
SPECIAL CALLED
CITY COUNCIL MEETING

June 27, 2023

The Mayor and all council members were present.

Mayor Cuttie called the special meeting of the city council on Tuesday, June 27, 2023, at 6:00 pm and the meeting was held in the city's cafetorium for the discussion of agenda items: 1.) Review of the FY24 Budgets.

Then, Mayor Cuttie reviewed the information that he distributed to each concerning the budgets.

He mentioned that what he would like more than anything is an open discussion on the budgets. He said that he would start with the water budget then go to the capital budget, and to end on the operating budget.

He mentioned that projecting revenues can sometimes be a challenge, and he gave the example of the water budget of the tap fees. With the unexpected approval of expansion of Chambliss Village, the tap fees were considerably more than the 2023 projected amount. On the expense side, the world-wide chip shortage was resolved earlier than anticipated, allowing the completion of the AMI meter project a year sooner than planned. Looking at the water budget he reviewed the projected revenues of \$381,750. He then reviewed each expenditure line item to end with a budget amount of \$ 381,750, to which the council agreed. Mayor Cuttie then called the council's attention to the ARPA Funds and a \$70K expense owed to Georgia Power for the installation of the AMI meters, and that the city could pay monthly for pay the bill or lump sum out of the ARPA Funds. And the council agreed to pay the bill from the ARPA funds.

In addition, he pointed out that the water system does not have the revenue to maintain itself. And that he asked J & T to give an estimate to upgrade the system which would include replacing the old iron pipes and that ARPA can contribute to the upgrade. However, the city recently applied for a principal forgiveness loan. Principal forgiveness loans are like grants in that they don't have to be repaid. However, the application process is like a loan in that the municipality must demonstrate an ability to repay the amount. In other words, the water system fund would need to show enough revenue to be able to repay the loan even though it will not. The city has not heard back on the application, but he assumes that it will be disapproved because GEFA will say that the water system will need to raise its rates and alter its rate structure. The Mayor mentioned that he would later put a rate schedule together for a later council meeting.

Then, moving on to the capital budget. The Mayor mentioned that the budget is not a day-to-day operational budget, but a budget to put in place for the future needs of the

city. For example, the street paving was presented several years ago in the form of a 6-year plan for paving various streets in the city using the recommendation of the software of Street Saver. Therefore, to plan on improving 1st, 2nd, 3rd, Wesley, and Church Streets in this year's budget, and to reserve TSPLOT funds for future improvements to Wortham, Coleman and College St.

He further reviewed the capital budget line items with the council, and a question was raised concerning the old bank building, to budget something for the inside upgrade improvement. A mention was made of baseball field maintenance. The Mayor mentioned that the county is supposed to maintain the field as a part of recreation. In addition, the tennis court needs maintenance or transformation. A discussion regarding converting it to Pickleball took place. Research will be done as estimates gotten for future consideration.

The need for Christmas decorations was brought up. The council agreed to research the costs involved and include them in an adjustment to the capital budget for this coming FY.

Finally, he reviewed the operating budget and went over the projected revenue portion first going over each line item and he mentioned that the forecasted amounts are based on experience and anticipated growth. The council agreed with the projections.

Next, he moved on to the administrative expenditures and the first item was a salary increase for the water clerk and the city clerk. Concerns of the council were voiced about the insurance stipend. The council agreed to an increase in wages for the staff, while reducing the insurance stipend by one half over three years. The net impact is a small overall increase .

He then moved through the budget pages reviewing admin, public works, and recreation expenditures. The council made minimal adjustments to and agreed with the various line-item amounts.

The meeting was adjourned at 7:50 PM.