

FINANCE COMMITTEE MEETING

AUGUST 9, 1979

The Finance Committee held a meeting on Thursday, August 9, 1979 in the Conference Room of the City Annex Building:

In attendance were:

Councilman	Leonard Stubbs (Chairman)
	Russell Sweetman
	James Singer
	Jeffrey Siler
	J. V. Stone
City Manager	Darryl Kenning
Administrative Assistant	Joseph Minner
City Engineer	Karl Schab
Finance Director	William Bettcher

Mr. Stubbs called the meeting to order at 7:35 P.M.

Mr. Kenning passed out the minutes of the meetings held March 19 and June 25, 1979. Mr. Stubbs requested changing the word "organize" to "investigate" such a committee in the minutes of the March 19 meeting. Mr. Siler made a motion to approve both sets of minutes, with the correction noted above. Mr. Stubbs seconded the motion.

Mr. Kenning then proceeded to discuss, in detail, the proposed 5 Year Capital Improvements Program for 1980-1984. After a thorough explanation and discussion of each section in the program, the following corrections were made:

TC-3 Traffic Signals: S. Main and Sheehan - Move back to 1981

TC-2 Traffic Signals: Normandy and W. Franklin - Move back to 1981

Mr. Stubbs continued the meeting by discussing the recent survey made concerning the citizens' feelings on increased taxes. After a lengthy discussion of a property tax increase, police levy, an increase in City income tax, etc... Mr. Stubbs stated that the Finance Committee would recommend to Council that a 1 mill property tax increase be placed on the November ballot.

There being no further business, Mr. Stubbs adjourned the meeting at 9:45 P.M.

APPROVED:

Leonard E. Stubbs 11/10/79
Chairman Date

UNANIMOUSLY APPROVED 11/10/79
Finance Committee Date

FINANCE COMMITTEE REPORT

The Finance Committee (Messrs. Stubbs, Sweetman & Siler) met on August 9, 1979 with Mr. Stone and Mr. Singer to discuss the Budget Survey results. The recommendation from the Committee to Council is to place a 1-mill property levy on the ballot in November 1979, designated for the Police Department, for a five-year period.

Key factors relating to decision:

1. Fifty-nine percent of those surveyed indicated that they wanted the '79 police cuts restored.
2. Forty-two percent of those surveyed indicated that they wanted additional funds added to the 1980 budget for police.
3. Property tax was selected because:
 - A. We are already heavily dependent on income tax.
 - B. Council indicated an unwillingness to reduce income tax credit due to political backlash and high cost of administration.
 - C. Property tax is the only tax that would be paid by everyone and police services are delivered to all citizens.
4. Property tax of 1 mill will be reduced by the State rollback and current bond indebtedness dropping off so that the final cost will be about .9 of 1 mill. This will cost the \$60,000 homeowner about \$18.90 per year or 36¢ per week (the price of a cup of coffee).
5. Amount raised by 1-mill levy - \$135,000 per year
6. Police fund would be spent for the following:

A. Two additional officers	\$40,000
B. Two additional vehicles	14,000
C. Two replacement vehicles	14,000
D. Cost increase over 1979 base	65,000
E. Equipment additions	10,000
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	\$143,000

Other needs which are critical would have to come from general funds.
These are:

A. Replacement of emergency generator	\$70,000
B. Replacement of base/unit radio	75,000
C. Additional cadet	16,000
D. Animal control vehicle	10,000
	<u>\$171,000</u>

7. Statistics which relate to Police Levy:

- A. We have funded the Police Department from general funds since 1976.
 - B. Sworn officers totalled 18 in 1979, which is an increase of two in the last five years. The population increased approximately 5,000, and citizen calls have increased from 5,363 to 7,300 (est.) or 36%.
 - C. In terms of real dollars, our police budget increase from 1974 (\$259,921) has shown only a minimal increase to \$264,136.00.
 - D. The adjusted cost per citizen has dropped from \$17.91 to \$13.55 during the past five years.
 - E. Every indication is that funds for 1980 will allow salary increases only, with nothing remaining for any other purchases in the police area unless cuts were made in other departments.
8. The Police Department will vote this month on forming a union. It is anticipated they will unionize. Thus, without a levy increase there will be great pressure to increase the police budget but there will be very limited funds available. Also, the Service Contract (DPSU) expires in May 1980.

Conclusion

There was no disagreement among those Councilmen present on the critical need for additional funds, however concerns were expressed regarding the City's creditability in coming back with an election for

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the second year in a row, and the impact of economic factors (inflation and recession) on the electorate. However, it was the majority view to recommend the placement of a 1-mill levy on the November ballot and thus, if it is Council's desire to follow this recommendation, we must take action at the regular meeting of August 20, 1979. The Board of Elections must be so notified by September 7, 1979.

Leonard Stubbs, Chairman
Finance Committee