

CITY OF KREBS
SPECIAL CITY COUNCIL -
KUA BUDGET MEETING
MINUTES
JULY 9, 2024

1. MEETING CALLED TO ORDER by Mayor Tommy Ray Walker

2. ROLL CALL by Cindy Cooper, City Clerk

Mayor Tommy Ray Walker- present, David Bailey- present, Jason Wagnon- present, Connie Poole- present, Dan Heathcock- present

3. DISCUSS THE 2024-2025 CITY OF KREBS BUDGET

Mike Kern states we should start with the first page of the budget which is the salary and wages for the general fund. Mike Kern states he has not changed anything from the last meeting on page one. This is not the complete budget this is just the wages. We have to start with the wages first.

Connie Poole states, can we back up on page one. If we want to make some changes do, we, do it now while we are on page one.

Mike Kern states, you can do it whenever you want to. Whatever council wants to do.

Connie Poole states on page one I am going down to the overtime it says \$112,682.

Mike Kern states no that is the subtotal of the salary and the overtime. The overtime is \$20,199.

Connie Poole states this is what I am looking at here, I am going back on what you gave us at our last meeting. On the city treasurer and the city clerk. You got the city treasurer's annual overtime at \$13,188 and the city clerk is \$7,000. Is that correct?"

Mike Kern states I have the grand total as \$20,199.

Connie Poole states, I know, that is what I am thinking we need to adjust. That is what I am asking you.

Mike Kern states, you can adjust it anyway you want to.

Connie Poole states, you said at that time I can take away or give some. Take away this coming year. To me and no disrespect or nothing but \$13,000 a year overtime, that's over \$1,000 a month. And then \$7,000 for Cindy.

I mean you got an employee up here that is a supervisor, he is only getting \$11,000 of overtime. I want to cut that \$13,188 to \$3,000."

Mayor Walker asks, you want to cut out overtime. Is that what you are saying? So, when they have something that comes up that has to be done, they won't work any overtime? I want that on the record.

Mayor Walker states there is a lot of work you don't know about Connie.

Connie Poole states evidently there is not but, eight to five, and you are paying somebody over \$1,000, and you got somebody up here that's getting \$11,000, and he is out here in the field.

Mayor Walker states every time we have a meeting, they get paid extra for that. A lot of that is from the extra meeting. We have had a lot of extra meetings.

Connie Poole states on here y'all do that as comp time. If I am not mistaken it says right here comp time was ok'd when they come to these special meetings. That was approved by Bobby Watkins and Ed Klink and never been changed.

Mayor Walker states it's never been approved by the council.

Dan Heathcock asks on page one there is a difference between what's figured up on the list. Like the wages for people for instance city treasurer, since that is the first one, Kay Scott 20 hours a week at \$28.18 = \$563.06 multiply that by 52 weeks that comes out to \$29,307 approximately.

Mike Kern states he rounded some a little bit up.

Kay Scott states her pay is split between the city and KUA.

Dan Heathcock states he understands that but the difference on the list it shows \$29,420 but the actual figure on how I just figured it up comes out to \$29,307.

Mike Kern states, "I just rounded up a little bit, that's all."

Dan Heathcock states ok, as long as we are close, we are good. Alright that is my final question on page one.

Mike Kern states, let's go back to what Connie was talking about. The council needs to decide what they want to do with that. The full council.

Connie Poole states we do not have to decide that tonight on this budget at all.

Mike Kern states, yes you do. I want you to.

Connie Poole states, I know, but we don't have too, correct?

Mike Kern asks "are we going to keep changing it?"

Connie Poole states, no but I am just saying.

Mayor Walker states this is July already. We are into another year.

Connie Poole states ok we can make the changes tonight if you want to.

Mike Kern states the more we get done the sooner the better off we will be.

Connie Poole states ok then what do we need to do to change that. What do we have to do on this side.

Mike Kern states the council needs to give approval or disapproval whichever way they want to go. Let's try to solidify as much as we can.

Connie Poole states well go ahead and asks us and we will give you, our answer.

Dan Heathcock states, the agenda just says to discuss the 2024-2025 budget. We are not acting on anything.

Mike Kern states I would like to be able to, whatever we decide, put on for the next...

Connie states I didn't think we could vote on anything tonight either. Do you want to just go ahead and change the numbers so you can put it on the next one we have will be correct, correct? Is that what you are saying.

Mike Kern states, that is what I am trying to get to, yes.

Connie Poole states just go ahead and ask us and we will agree to it.

Mike Kern so what do you want to put in for the \$20,199? You don't have to final approve it now but the more we can decide-

Connie Poole interrupts to say ok, those numbers I gave you earlier.

Kay Scott states \$4,200.

Mike Kern states \$4,200. Ok so I will put that in there for the \$20,199. Of course, that is going to change some of the stuff over on the rest of the budget. That's the thing once you change the budget in one place you have to change it somewhere else.

Dan Heathcock asked if the \$4,200 *inaudible*.

Kay Scott states that is total.

Connie Poole states, that is for both of them.

Mike Kern states in place of the \$20,199, correct?

Connie Poole states correct, correct.

Mike Kern states, ok that is fine. The final decision is the councils. The council has to decide. And that's fine, whatever y'all want. Mike states we are looking at the fire department on page four. For the full fiscal year total maintenance and operations was \$58,438. So, I put in \$60,000. The best we can do is make the best estimate. The fire department is a guess. If they have a lot of fires they are going to pay more money. If they have less fires, you are not going to have to pay as much. That's the best we can do. The capital part. We have a truck payment of \$27,000 on the brush truck still and he wants to replace four of those SCBA packs for \$38,500 so that's \$65,500, that what I recommend we put in there. Mike Kern states if the council wants something different the council needs to make up their mind.

Mayor Walker asked Leo if this was to outfit one truck.

Leo Baughman states that will be the last truck.

Dan Heathcock asked if the total would be \$130,500 for the fire department.

Mike Kern states the total is \$125,500.

Dan Heathcock asked what the \$130,00 is?

Mike Kern asked what he was looking at.

Dan Heathcock states he is looking at the one dated 6/20/2024.

Mike Kern states, that has changed. Its changed, its changed, its changed. We don't want to look at the other ones only the one from tonight. We have changed those numbers. This is what we want to discuss tonight. If we want to change some of that, that's fine. It's up to the council. Mike Kern states anything from 6/20/24 you can forget. This is the new presentation. Yall can change it anyway you want. For the fire department, I am recommending we put \$60,00 on the M&O and 65,500 on the capital.

Dan Heathcock asked if the total of \$10,000 for EMS was for emergency management is for the sirens and stuff?

Mike Kern states yes.

Mayor Walker asked how many more payments were left on the brush truck.

Kay Scott replies, one.

Mayor Walker confirms, one more.

Mike Kern states he would like to go over this in order because, like changing the overtime, so anything else changed on page one has to be changed on page four. Mike states looking at the wages for street and alley. Mike Kern states we have some overtime built in there. We have to look at the people first then we look at the equipment. The M&O for most departments is really an experienced guess. That is all it is because you do not know what is going to happen on the M&O. If we can tie down the payroll first then tie down any big capital expenditures second, then the M&O. Because the M&O, you are just paying for what you are operating. You can't foretell what it is, you just look at what you have done before.

Mayor Walker states, the same thing with overtime, you never know when you have to do overtime.

Mike Kern states absolutely.

Mayor Walker states you can't run exactly by how everything is supposed to be.

Mike Kern states no you can't, you just try to make the best educated guess. Mike Kern states we are looking at street and alley. We do have some overtime in there.

Dan Heathcock asks if this was approximate to what they had last year?

Mike Kern states yea, last year.

Kay Scott states it should be more because of the 15% increase.

Mike Kern states it will be more. Last year fiscal year what was spent on personnel services was \$162,801, page four line 31. Compare that to the calculations we have put together on page one. For the new budget we are looking at \$181,616 versus last year we spent \$162,801 but remember we increased everybody by 15%. Should be reasonably close when you calculate out the numbers by hourly wage, put in some overtime and payroll tax that is what it ends up being. That's all we can do. If you want to change it that's up to you. If you want to cut back on overtime, whatever.

Kay Scott asks if this is for street only.

Mike Kern states yes, street only.

David Bailey states it could be more or less you never know what they are going to get into.

Mike Kern states a lot of this is just our best experienced guess. Just trying to get it organized. the museum has the payroll cost of \$13,965 for the year for one employee who works 36 hours a week. Mike Kern states the same thing on the senior citizens center. That is a separate fund from the general fund. The senior citizen total budget is on page eight.

Mike Kern states we are for sure going to have another budget meeting but anything that we want to change tonight he will put in the new one and he will bring a totally updated budget package to the next meeting. The first change we will have for sure will be that overtime adjustment you want to make. Mike Kern states turn to page two. That is the KUA personal. That is all the different employees, the hourly rate times how many hours they are going to work for the year. There is an overtime factor in that also. Payroll taxes, and retirement is separate. The KUA operates more like a true business than the city.

Mike Kern states move on to page three. That is the police. Trying to figure out their salary, shift differential, holiday pay plus incentives. The actually police department personnel service number is \$725,964. That is the base rate plus payroll taxes.

Connie Poole request to go back to the KUA. You have the overtime as 18,804. How does that break down? What percentage are they getting? How much?

Mike Kern states it's about five percent. I feel that we have to put something in there. I don't know what the right number is. I mean if these guys get called out at night and stuff, they are going to end up getting paid overtime. I have to use this terminology because its important. This type of budgeting is called estimate of needs.

Connie Poole states, that I understand. Connie Poole asks, we can make theirs higher on this overtime if we want to, correct? We can move the numbers around on this if we wanted to.

Mike Kern replies, yes you can do that if the council wants to. It is ultimately a council decision as to what these numbers need to be. All I am trying to do is make a good presentation so we can discuss it and come to some agreement as to what we need to put in there.

Connie Poole states the only thing I have a problem with is, you are saying five percent. I want to know what five percent of what their overtime is, how much it comes out to an hour. Five percent doesn't tell me really anything. I can't sit here and figure out what five percent of their pay is or whatever.

Mike Kern states, all I did was take the on their hourly rate, extended all that out and then put a five percent factor on there because we have to put something on there. You can put anything you want there. That is just a starting point. Mike Kern states if you want to change it to two percent, that is fine. It's your call.

David Bailey asks if they get time and a half on overtime.

Mike Kern states yes.

David Bailey states so you figure if you take \$20 an hour times five percent would be about \$30 per hour.

Mike Kern states, the thing that is so hard to calculate is, we have no idea what overtime really is going to be.

Connie Poole states that I understand, but I am wanting to know exactly a number as to what they are going to be paid an hour instead of five percent.

Steve DeFrance states, I think what Mike is saying here is, the \$366,914 the \$18,804 is five percent of that. Is that right Mike?

Mike Kern states, yes. If somebody is working overtime it is just one and a half times their regular pay. But it's based on individual time cards. Theoretically. It should be.

Connie Poole states, I just like true numbers instead of percentages.

Mayor Walker asked, this overtime deal is for everybody right? Every department?

Mike Kern states, we have to look at each department separately.

Mayor Walker states, I know, but it's all about overtime. You can't give some overtime and some you don't. It's a guess deal. How are you going to tell how many hours you are going to have. If you want business done you got to have overtime sometimes, that's the way it works with everybody.

Connie Poole states, I understand that with the KUA and the streets. I don't have a problem with overtime.

Mayor Walker states, that's with everybody.

Dan Heathcock states some guys are going to have to work more overtime than others.

Mayor Walker states, exactly. You can't tell exactly.

Steve DeFrance states, about the only way you can figure that is, if you look at how many total hours they had to do last year, and you look at X number of employees times how many hours is a 40-hour week for them during the year however much total actual hours that ran over, that is the percentage you put in for the next year.

Mike Kern states, there are different ways to calculate it. It may make sense to some people to do it one way. I just take the grand total and do a percentage on it because you could spend hours trying to calculate each individual.

Connie Poole asks how did you come up with a five percent? What if we want to increase that to a six percent.

Mike Kern state, you can do it. That's just my first start out of the gate. We can change that up or down whichever way you all want to do that. Its just – I use this on purpose. We are doing a budget based on estimates. Estimates!

David Bailey states, I think the last deal we had out here showing the city workers, like Billy and them for this and that. I think you had some estimates in there at \$3000 and one or two at \$5000. On that last one we looked at. Like \$3500.

Connie Poole states, yes you did.

Mike Kern states, that's gone. That's gone. That's gone

David Bailey states, yea I know that's gone Mike. I am just saying that's how we were looking at it there now we are here. I got no problem with what you are doing here.

Mike Kern states, well that is what we are going to go with from here on out. If you want to change that number feel free to. It's your call. I am going to put it in there any way you want. That's just my starting point. That is all it is.

David Bailey states, "I am pretty well ok with that number."

Mike Kern states, I can put down any number you want me to but in reality, what happens, happens. If you have a bunch of water breaks you are going to have to fix them.

Steve DeFrance states on next year's budget we need to look back at what actually happens this year and try to gauge off that.

Connie Poole asks if the street and alley also got the five percent? Did they?

Mike Kern states theirs is more percentage than that.

Connie Poole states I would like to change that to five percent.

Mike Kern states, we can do that. We can certainly do that.

Mayor Walker states they do more overtime than just about anybody else. More call outs. They spray for mosquitoes. In the winter time they have to go out and do all that.

Mike Kern states, Connie is saying change the overtime on street and alley to five percent because it is more than that. We can go with that, if that is what you want to do. The whole council needs to agree on that.

Mayor Walker asks, you are saying five percent?

Mike Kern states, of base rate. That's the only way you can figure it. You don't want to have to figure it by individual. You will never get there.

Mayor Walker states, the overtime is supposed to come through me before anyway. Before you do any overtime whatsoever. That's anybody. That's what I have read. When it comes to overtime, it comes to me, we will look at it and see what is needed and what is not needed.

Mike Kern states, there has to be some kind of system. Whether you have it for your supervisor or if you want it to come to you.

Mayor Walker states me, then Billy.

Mike Kern states, whichever way you want to do it, but there does need to be a review process. That's all I can tell you. I am not trying to manage.

Dan Heathcock asks, you said street and alley, but we were talking about KUA.

Mike Kern states, she asked me to go back to street and alley.

Connie Poole states, I asked him to go back because he had them at four percent when the KUA is getting five. I feel that street and alley *inaudible*. On page one is what I was looking at.

Mike Kern states, see that overtime number, \$25,817. That is in excess of 10%. If you want to adjust it back to five percent, we will do that, if that is what you want.

Connie Poole states, I thought you said it was four percent.

Mike Kern states, no it's not four percent. \$25,000 over \$142,000 is 18% so I have quite a bit of overtime figured in there.

Connie Poole states, you have it at what percent. You got it at four percent.

Mike Kern states, no, no, no. That number \$25,817 is 18%.

Connie Poole states, then leave it where it's at. You said it was four percent.

Mike Kern states, four percent is out.

Connie Poole state, I know you are telling me that now. Just leave it where it's at. I thought it was four percent that is why I was changing it.

Mike Kern states, the number right here is 14%. That's what that is. If we want to change that, we can do that.

Connie Poole states, just leave it where it's at because I thought it was four percent that's why I was changing it.

Mike Kern states over to the police department. Those are all per their contract. It has to be as per their contract. That's the way it has to be. The thing that is really hard to calculate for the police department is if any of the police leave, and they have comp time there is no way to put a calculation in for that. I don't know what that would be because we don't know who we are going to lose or anything.

Mayor Walker asked if the police do any overtime.

Mike Kern and Kay Scott respond, no they get comp time.

Mike Kern states that's a number if somebody leaves, we have to have that but we have no idea what that number could be. The retirement number is a number, that is a calculation based on -the city matches 13 % and we have to pay that as per contract.

Dennis Cook, police chief asks if this was for eight officers and a chief. That's the total?

Mike Kern states, there is a slot in there for a new one.

Dennis Cook states, so its eight police officers and the chief. That's the salary base?

Kay Scott states, yes, and that includes the \$10,000 they just gave Kody.

Mike Kern asks the \$10,000 what.

Kay Scott states, the \$10,000 raise they gave Kody.

Mike Kern states, those rates have to be paid as per the contract. Can't deviate from that. That \$78,580 under the retirement column, we do carry that over to page four. The general fund, line 22 that \$78,580 is retirement. Let's go to page four. The sales tax, the franchise tax, the use tax, the alcohol beverage tax and the sales tax for capital improvement. By state statute you are only allowed to budget 90% of the previous year's revenue. What you see in that last budget column is 90% of what is in the actual column. The fines, we don't want to say - we don't want anyone to misinterpret that we are setting a quota because we are just putting a number in there. But you don't want to be talking about any kind of quota. The miscellaneous we are only taking 33% of that. We are being conservative because we have to do that. Last year we did have some insurance claims that came in and some refund on some of the OMAG insurance. We don't know if that is going to happen every year.

Kay Scott states that were only about \$3,000 refund for not using the insurance but now it has increased plus that because of all the other claims.

Mike Kern states one thing I failed to put in here is, we do have a contract with the school for a policeman somewhere in the neighborhood of three or four thousand a month.

David Bailey asks if we have the reimbursement figures for salary in to them (school)?

Kay Scott states, she has not emailed her or talked to Mr. Turner.

Dennis Cook states, I sent an email four weeks ago, that's when you sent numbers to him.

Kay Scott states, she will go back and look at that.

Mike Kern states we could put that in if they signed an agreement that that's what they are going to pay. We can put that in as revenue budget. That's a number we can capture and you are allowed to do that. If you know by contract you are going to get that.

Dennis Cook asks, for nine months of the year.

Mike Kern states, whatever the amount is for the whole fiscal year.

Kay Scott asks if we could not increase the fines amount because of how much the payroll is now.

Mike Kern states, no you cannot relate the fines to payroll. Somebody could misinterpret that as setting a quota and you don't want that. You don't want anyone saying you are setting a quota on fines.

Mayor Walker states, "I guess everyone is driving better, aren't they. No tickets." Pretty good then.

Mike Kern states, that is just my interpretation of what the revenue collections need to reflect. You can't relate that. Mike Kern states start on line 14. That relates back to page one for the mayor and board. Line 15 is the treasurer and city clerk that's the \$121,302

The city attorney that's a question.

Kay Scott states, the city attorney pays for his wife's insurance. He actually gets paid \$1,100 a month. He gets \$1,100 a month but part of that goes to pay for his wife's insurance because the city does not pay for spouses' insurance.

Mike Kern states we need to look at that from the standpoint of actually exchanging checks rather than reducing his check. What we need to consider is giving him a full check and him giving us a check back for her insurance.

Mayor Walker states, we don't want it to look like we are paying her insurance.

Mike Kern states, from the standpoint of we don't want to be questioned on what we are trying to do. We are trying to present a full transparent what we are trying to do. The judge is the \$6,000. Line 18 general and medical insurance last year we spent \$217,679. I bumped it out a little bit because everybody knows the insurance goes up every year. Line 19 personal services for the police department is \$725,964 and retirement of \$78,580. The gasoline is a guess for sure but I had to put something in there so I put \$50,000. Their M&O was \$58,000 last year so I put \$60,000 this year. The CLEET and the forensic line 23. The CLEET, forensic / OSBI I tried to keep those close. Those are a function of tickets written.

Kay Scott states, its per received money for tickets written.

Mike Kern clarifies, for monies received not just tickets written. Uniforms, what is it per contract. Mike Kern asks, it is so much per officer.

Dennis Cook replies, yes \$1,500.

Mike Kern clarifies, \$1,500 per person.

Dennis Cook confirms yes, \$1,500 per person. We have nine so that's \$13,400. We spent \$18,404. When you have somebody quit unfortunately, they are not the same size. You have to...

Mike Kern states, that is a number we are going to have to come up with. You say its \$1,500 time the number of guys. That's \$13,500 right. So, we are going to have to change that. Just got to.

Kay Scott asks if there were any uniforms stashed anywhere?

Dennis Cook states yes, we do. We try to use them but there is some you can't.

Kay Scott asks, they have not been worn?

Dennis Cook states, correct, but if this guy is 6'4" and this other guy is 5'9' he is not going to be able to wear those uniforms. We try to alter them.

Mayor Walker states, it is probably cheaper to alter the ones they have rather than buy new ones if they are anywhere close. Do y'all every do that.

Connie Poole states, try to see how much it cost to have something altered. It's expensive.

Mayor Walker states, I do, I have it done all the time.

Dennis Cook states, that's what we do

Mayor Walker states, it's not \$1,500 a suit or what you're talking about here.

Dennis Cook states, it's pretty expensive.

Mike Kern state, we have to change that its per contract.

Dennis Cook states, \$13,500.

Mike Kern states, yes that is my opinion.

Dennis Cook states, you can't get them uniforms.

Mike Kern states, I am putting in \$13,500 for the uniforms. The contract says \$1,500 per uniform. You got nine people times \$1,500. That's what I am going to put in there.

Mayor Walker asks, you don't get the uniforms for them until they are hired right?

Dennis Cook replies, correct.

Mike Kern state, so you might not use it all that, but we have to put it in the budget. Mike Kern states, we talked about fire department, EMS, we talked about line 31 the- interrupted by Dennis Cook

Dennis Cook states, we are going to, can we talk about the capital outlay for the police department.

Mike Kern states, it's up to the council if they want to put something in there it has to be taken away from somebody else.

David Bailey asks, what's in there?

Dennis Cook states, zero.

David Bailey states, you got to have some capital outlay.

Mike Kern states, you don't necessarily have to.

Mayor Walker states, you got \$60,000 in there.

Kay Scott states, no that is what Dennis asks for but Mike put in zero.

Dennis Cook asks, how do you replace equipment if you don't have any capital outlay?

Mayor Walker states, if that's what you can use it for.

Dennis Cook state, there is no money in there.

Connie Poole states there is zero in there.

Mayor Walker asks, how come I wonder?

Dennis Cook states there was \$100,000 the first meeting, the second meeting there was zero. Where did it go?

Mayor Walker asks, where did it go?

Kay Scott state, actually he had zero in there the first meeting on his side.

David Bailey asks, how much capital outlay do you need?

Mike Kern states, we have to do more research on the capital outlay because, I think some of the things getting charged to maintenance and operations, technically should be classified as capital. If you put any guns in there or any asset that has more than one-year useful life should be a capital expenditure.

Kay Scott states, before when they bought guns, they used the drug forfeiture money.

Mike Kern states it still has to be budgeted.

Kay Scott states, right but that's what they used. The did not use the capital outlay money.

Mike Kern states it's still classified as capital outlay. You classify it as capital outlay first then you fund it with cash from where ever you have to fund it from.

Dennis Cook states, we can talk about the same thing. Last year we spent \$119,246 in capital outlay but I have zero this year.

Kay Scott states, we are short on money. The whole city is short on money.

Connie Poole states, we shouldn't have zero for capital outlay.

Mike Kern state, the question is, where are you going to take it from?

Connie Poole state, I don't know.

Mike Kern states, that's your call not my call.

Connie Poole states, if we put it in there then we have a figure to work with instead of zero.

Mike Kern asks, what do you want to put in there. I will have to take it from somewhere else. That's all there is to it because this is balanced right now. So, if you put something in you have to take it from somewhere else.

Mayor Walker states there are only certain things you can take away. You can't take it from just anybody or anything.

Mike Kern states, yes you can. We have not decided on the budget. We can move it. What I am saying these numbers are balanced right now. This is just the starting point. I keep telling you guys if you want change things that is fine. It is up to the council.

Dennis Cook state, "I never bought a vehicle last year." There was a \$100,000 in that account.

Mayor Walker states, you bought a truck, didn't you?

Dennis Cook states that came out of the insurance.

Mike Kern states, that doesn't matter.

Dennis Cook states, the \$100,000 is gone.

Mayor Walker states, that's about what the truck was by the time you outfitted it?

Dennis Cook states, no its not.

Kay Scott states, it was \$65,000.

Mike Kern states, we bought that vehicle from Vance Chevrolet. Wasn't that the um...

Kay Scott states, animal control. Actually, it's the new police officer code enforcement animal control truck

Mike Kern states, code enforcement. That was a capital item.

David Bailey states, I got a question, everybody has to have a capital outlay?

Mike Kern states, no they don't have too. They don't have to. If you guys approve it yes but they don't have to.

David Bailey asks, what about certain things they need how do they get it Mike?

Mike Kern states, they have to tell you what they want specifically.

David Bailey asks, where does the money come from?

Mike Kern states, you can either take it out of the capital improvement account or general fund but you have to budget it first.

Dennis Cook states, that is what I am talking about. If I need a capital outlay item I might be turned down.

Mike Kern states, I am just telling you where we are at. those numbers are balanced. If you add something to one line item you are going to have to take it away from another line item. It's up to the council to decide where. It is not up to me. I do not make management decisions. I cannot make management decisions.

David Bailey states, I think he needs something in capital outlay.

Connie Poole states, I do to. We have to take it from somewhere else.

Dan Heathcock asks on line 28 is that the capital outlay, the \$65,500 for the fire department?

Mike Kern state, yes that is the brush truck payment of \$27,000 and those air packs specific to the fire department.

Dennis Cook states, I could get by with \$60,000. It would be tight but I could do \$60,000.

Mike Kern states, we will have to take that \$60,000 from someplace else.

Connie Poole states, well we will have to do that then. We need something in capital outlay.

Mayor Walker asks, where are you going to take it from.

Connie Poole states, we have to go through here and see where we can. That's what we are here for.

Mike Kern states, yes, its council's decision. Not my decision.

Mayor Walker states, y'all are going to have to figure out where you are going to take it from then.

Connie Poole asks, we don't have to figure it all out tonight, do we?

Mike Kern states, you don't have too specifically.

Connie Poole states, I am going to suggest \$60,000. I think we need something in there. Connie Poole asks Dennis Cook and you said you can get by with that correct?

Dennis Cook states, correct.

Mike Kern asks, what specifically are you going to buy with \$60,000. I think it is important to try and isolate how much.

Dennis Cook states, there is a finger print machine that cost \$22,000.

Mayor Walker asks, is that a state statute that you have to have one of those.

Dennis Cook states, yes, we are out of compliance. November 1st is when the law come into effect. You have to finger print every person that is reported.

Mayor Walker states, that's going to be rough on real small towns.

Connie Poole states, I seen where they passed that.

Dennis Cook states, you have to do that. Dennis Cook states to my understanding the way they are going to enforce this. If you are not compliant you are not going to receive grants. Now little grants, I am sure it will go through maybe, I don't even know. I am just speculating at this point but that is how they said they were going to enforce it.

Kay Scott asks, is that grants for the police department.

Dennis Cook states, no that's city grants. We have got to be in compliance.

Mike Kern states, we have not got any city grants in years.

Mayor Walker asks, can you add it to a ticket. Every time you write a ticket you get so much money for that?

Dennis Cook states, you can but you have to put it on the agenda and get it passed.

Mayor Walker states, take it away from a bad guy, don't take it away from somebody else.

Steve DeFrange asks if it could come out of the IT fund.

Mike Kern asks would you classify the finger print machine as an IT item.

Dennis Cook states, I think it would be. It hooks up to the internet, goes straight to OSBI, straight to FBI.

Mike Kern states that is fine. The more specific we can be on capital expenditures whether its funding with IT money or capital improvement money we still need to be able.

Dennis Cook states, we have talked about buying a vehicle. I have chosen not to pass the one year on a vehicle but we are going to be upside down on a vehicle next year. On vehicles.

Mayor Walker states, maybe we will have more money next year. We are about out of money spending spending, spending. The spending this year is going out of control.

Kay Scott states, that is the truth. The general fund money is in the red sometimes.

Mayor Walker states, we can show you where all the money went if you want to see where the money went.

Kay Scott states, it is very hard to make payroll sometimes.

Mayor Walker states we had a lot of raises, a lot of vehicles and all kinds of stuff bought.

Mike Kern states on page four the actual column. We have spent \$315,234 more than we took in.

Mayor Walker states, that is a no no.

Mike Kern states you are going to deplete your funds.

Kay Scott states, they are going down all the time.

Mike Kern states we just have to work with it. See what we can do.

Kay Scott states, what else. He (Dennis Cook) has \$22,000 for that, he said \$60,000 so what's the other?

Mike Kern state, yea tell us what else you need.

Dennis Cook states, no. I'm just like the fire department we don't know what we need till it breaks. Something breaks, gets lost, gets damaged.

Mayor Walker states, just like everybody else.

Mike Kern states, I am just giving you operations. I cannot make management decisions, but you can put \$22,000 for the finger print machine because it sounds like that's what you need to do on that part. But the rest of it.

Dennis Cook states, I won't have enough money to operate on.

Mike Kern states, it's up to the council it's not up to me. I am just putting numbers in there to try to make it fit. The council has to decide what they want to do.

David Bailey asks Connie Poole what she was wanting to put in there.

Connie Poole asks which one.

Dan Heathcock states, \$60,000 for the capital outlay.

Connie Poole states yes that is what she mentioned earlier.

Dan Heathcock states, line 25.

Connie Poole states to Dennis Cook, "you said you could make that work?"

Dennis Cook states, it's a guess.

Dan Heathcock states, hopefully Mike can look at some different deals since he is more accustomed with everything to see where it can be taken out of.

Mayor Walker states, but y'all have to make the decision.

Dan Heathcock states it would be easier if Mike tells us where to take it from.

Mike Kern states, I can't manage your business for you. My job is to push numbers.

Mayor Walker states, you can always come down to city hall and look all that up.

Mike Kern states, Connie brought up earlier that she wants to cut the overtime by \$16,000 so that's part of the \$60,000 made up. So, let's keep going. I have to leave. I have to leave right now.

Mayor Walker states, right now, why.

Mike Kern apologizes, and states he has another council meeting and has run out of people.

Connie Poole states, so do we want to set another time on this so we can pick up on some of this.

Mike Kern asks what date.

Connie Poole states, Tuesday is always good for Jason.

Mike Kern states Tuesday July 30 is good for him.

4. COMMENTS FROM THE COUNCIL AND MAYOR

Mayor Walker states, I want you guys on the council to remember, you are responsible for all the money paid out, spent, used, and all that. You really need to watch the budget and watch money for everything because y'all probably don't believe this but you are

heading down a bad road here. We spent a lot of money last year for everybody which was good for everybody, but now we have to pay for it. That is y'all's responsibility where the money goes. When it gets down to the bad part y'all are going to be the one 'where did the money go'. Y'all sign off on every deal y'all vote on every deal. Every bit of money. I just want y'all to remember.

Connie Poole states we take full responsibility for our decisions, I do.

Mayor Walker states, well you have to. You are on the council

Connie Poole states, I take full responsibility.

Mayor Walker states, I just want to make sure you all to think about it. If we don't need it, don't buy it. You can come down here look at the books see where the money went whatever you want to do.

Mike Kern states the numbers he has on the budget for actual would be the numbers we report on our estimate of needs that goes to the state's auditor. So those numbers while not audited are compiled. Those numbers are taken straight from your bank statement based on cash. No accruals on any of that. Because estimate of needs has to be put together based on pure cash. Cash in cash out. That's the only way you can operate.

Dennis Cook asks if we are replacing the sign out here? (front of city hall)

Connie Poole states no we put it on hold. It cost too much money.

Mayor Walker states I thought it was working.

Kay Scott states, it is, right now. It goes on and off.

5. ADJOURN TO KUA

Connie Poole makes a motion to adjourn. Jason Wagnon seconds. Mayor Walker calls for a vote Connie Poole- yes, Jason Wagnon- yes, David Bailey- yes, Dan Heathcock- yes. **Motion passed.**