

MINUTES OF COUNCIL MEETING
MAY 28, 2009
6:30 P.M.

The Murray City Council met in regular session on Thursday, May 28, 2009, at 6:30 p.m. in the Council Chambers of City Hall, with Mayor H. Thomas Rushing presiding.

Council Members Present: Pete Lancaster, Dan Miller, Linda Cherry, Pat Scott, John Bowers, Robert Billington, Greg Anderson, Butch Seargent, Jeremy Bell, Jane Brandon, Danny Hudspeth, and Bill Wells.

Council Members Absent: None.

Staff Present: J. L. Barnett, Ken Claud, Ron Allbritten, Don Rogers, Philip Morris, David Roberts, Candace Dowdy, Dennis Thompson, Cathy Morris, Michael Skinner, Alan Lanier, Matt Mattingly, and Harla McClure.

Minutes of the council meeting held May 14, 2009, were presented for approval. **Mr. Lancaster moved, seconded by Mr. Bowers,** to approve the minutes as written. With no discussion, Mayor Rushing called for a voice vote, which was unanimous in favor of the motion.

Mayor Rushing recognized J. D. Chaney, with the Kentucky League of Cities. Mr. Chaney provided the council with information on the legislative session that just ended. He provided updates on bills that affected the city and invited them to contact him with any issues they would like to see addressed. He stated that the KLC Board voted to sue the State for the telecommunications shortfall.

Mayor Rushing entertained a motion to open the public hearing pursuant to state statute for the purpose of obtaining written or oral comments regarding the proposed use of Municipal Aid Funds and LGEA Funds for the Fiscal Year 2009-2010. **Mr. Bell moved to open the public hearing and Mr. Lancaster seconded.** Mayor Rushing called for the voice vote which was unanimous in favor of the motion. Mayor Rushing asked if there were any comments regarding the proposed budget for said funds. **Mr. Anderson moved, seconded by Mr. Bowers to close the public hearing.** Mayor Rushing called for the voice vote which was unanimous in favor of the motion.

Mayor Rushing entertained a motion to open the public hearing pursuant to the open records statute for the purpose of obtaining written or oral comments regarding the proposed budget for the Fiscal Year 2009-2010. **Mr. Bell moved to open the public hearing and Dr. Miller seconded.** Mayor Rushing called for the voice vote which was unanimous in favor of the motion. Mayor Rushing asked if there were any comments regarding the proposed budget for said funds. **Mr. Lancaster moved, seconded by Mr.**

Billington to close the public hearing. Mayor Rushing called for the voice vote which was unanimous in favor of the motion.

Mayor Rushing then presented the following budget message:

To: Council - City of Murray, Kentucky
From: H. Thomas Rushing
Date: May 28, 2009
Re: FY2010 Budget Proposal

In accordance with Kentucky Revised Statute 91A.030, the Annual City Budget Report for the City of Murray, Kentucky for the fiscal year ending June 30, 2010 is hereby submitted.

Herewith I am presenting to you this budget message and attached budget proposal for the Fiscal Year 2009-2010 so as to comply with all the statutes.

Appreciation is extended to the Finance Committee and Department Heads who have devoted their time and efforts in developing a sound financial plan. It is my desire that this Budget provides all citizens with a high level of quality municipal services in an efficient and effective manner. The City of Murray continues to be well-governed, well-managed and fiscally sound. I hope to keep in place these past traditions to promote community pride. This budget report indicates sufficient financial resources to maintain current levels of services without any reductions in personnel or programs.

The compiled budget for all city operations shows available funds of \$38,386,637. This represents a 1% decrease or \$350,752 less than the prior year's total city operations. The decrease in budget comparisons is due to primarily to normal fluctuations spread across many departments.

The budget has set forth these primary objectives to be accomplished in the next year:

- 1) A base salary increase for all employees will be set at 2.50% for cost of living allowances.
- 2) Additional funds will be available for performance increases and salary adjustments. The Mayor will determine all salary increases. The Mayor will consider recommendations from department heads. The total allocation available for the General Fund and Utility Funds will be \$55,000.
- 3) Minimum salary entry levels and maximum levels for each grade in the pay classification plan will be adjusted by the cost of living allowance of 2.50%. The starting salary for a new certified and sworn police officer and fire fighter will be set at \$25,840.

4) To combat rising medical care costs and keep the Employee Benefit Trust solvent, the Health Insurance Committee recommended to the City Council (who subsequently approved the recommendation) to raise insurance premiums 20%. Additionally, the contribution ratio between the City and employees was set at 90%/10% for singles and 80%/20% for families respectively.

5) Employee benefit costs will experience significant increases in the cost of retirement benefits. The CERS Hazardous employer rate will increase from 29.50% to 32.97%. The CERS Non-Hazardous employer rate will increase from 13.50% to 16.16%. These rates are mandated by the State.

6) The City will continue the Christmas gift of \$25 Chamber Dollars for employee recognition of services.

7) In order to continue the same level of services for the citizens of Murray that has been received in prior years, property taxes will be set as allowed under HB44 for 4% growth.

8) To ensure adequate revenue streams are available to meet an ever growing list of needs, a comprehensive revenue study is planned in the Fall of 2009.

9) The City will attempt to maintain the policy of limiting expenditure growth to the same level of anticipated revenue growth. This keeps the City from budgeting a growing expenditure base that out paces possible revenue projections.

10) The City will maintain the current level of funding for the City's Police & Firemen's old pension fund. Currently the P & F receives 1.65 cents/\$100 of property tax value for funding.

11) A policy to use E911 generated funds to help defray associated dispatcher costs along with telephone and radio communication costs will be continued. The amount designated for personnel costs is \$25,000.

12) The largest capital project in the Utility Fund during the year will be an elevated water tank. This project will be fully funded through grant revenue. The largest project in the General Fund is \$200,000 for engineering and architectural services to design a combined Public Safety Facility to house the Fire and Police Departments. A budget amendment to increase funding for this project in Fiscal Year 2009-2010 can be expected if additional funding sources are available.

The Fiscal Year 2009-2010 Budget recommended for your approval represents a realistic and sound budget. The City monitors all departments to assure compliance within budget parameters. Internal controls along with various checks and balances are emphasized to ensure proper accounting of receipts and disbursements. We want to assure our tax and service payers that proper stewardship of public funds is our first concern.

In closing, I wish to express our appreciation to you for your continued support of our efforts in serving the citizens of Murray.

Ordinance Number 2009-1486 (first reading) an ordinance adopting the City of Murray, Kentucky Annual Budget for the period July 1, 2009, through June 30, 2010, by estimating revenues and appropriating funds for the operations of City Government was presented to the council on a first reading. **Mr. Billington moved, seconded by Mr. Bowers** to approve said ordinance.

Mr. Hudspeth stated the council received the draft budget from the Mayor and the management team. He stated the council is accustomed to getting the draft budget and except for a few dollars here and there in special appropriations; the council has been accustomed to passing it on through. He stated it is his opinion that somewhere down the line, the council got accustomed to just doing that. He stated it seems like the council is not doing their job by really looking at ways to make this thing work. He stated it is evident if you look at the combined budget summary page, it shows a deficit of \$959,000 between expenditures and revenues and he believes that is a problem as we go forward. Mr. Hudspeth stated it is good that we are looking at a revenue meeting in the fall and he believes it will be something that is one of the biggest things the council does over the next ten years to come to actually look at how we are going to go forward as a city and try to decrease that deficit. He stated the citizens need to know that we are in some trying times and we are going to have to put a lot of things on the table to talk about, i.e. benefit packages, hiring, everything and we are going to have to look at real challenging things as we go forward and that will be test of our character how we look at those things. He stated that disparity between revenue and expenses, and if the city stickers do not increase, then the difference would increase to over one million dollars.

Mr. Anderson stated that it is the wrong time to be raising the city sticker price on our citizens.

Mr. Seargent stated that we are in a place of difficulty everyway we look at it and we have a real job ahead of us. He stated he would like to set a date for when the comprehensive revenue study would begin and would feel better knowing that a date is set to begin.

Mr. Wells stated that he does not remember anyone having a rubber stamp on the budget and there was good discussion about a lot of different issues.

With no further discussion, Mayor Rushing called for the roll call vote which is recorded as follows:

AYES: Pete Lancaster, Jeremy Bell, Dan Miller, Linda Cherry, Pat Scott, John Bowers, Robert Billington, Butch Seargent, Jane Brandon, and Bill Wells.

NAYES: Greg Anderson and Danny Hudspeth.

Mayor Rushing declared said ordinance approved by a vote of 10 to 2.

Ordinance Number 2009-1485 (second reading) an ordinance was presented to the council on a second reading to rezone property located at 101 and 103 Spruce Street from R-5 (multi family residential) to I (industrial). Said property is comprised of 0.224 acres owned by William E. Gary and a 0.468 acre portion of right-of-way along Spruce Street. The

recommendation to rezone was approved by a vote of 4-3, with one (1) abstention, based on the following findings of fact: (1) there have been major changes of an economic, social and physical nature within the area involved which were not anticipated in the adopted comprehensive plan and which have substantially altered the basic character of such area; (2) the rezoning will decrease the probability of any chance of a child coming in contact with any delivery trucks because the trucks will be off the street quicker than they are now, thus reducing congestion in the area and improving vehicular and pedestrian safety; (3) the property will be used for ingress and egress of delivery trucks only; (4) Kenlake Foods currently has one entrance to the front of their facility located on L.P. Miller Street and this would give them a second means of access to the rear of the building in case of emergency situations; and (5) applicant will provide adequate screening along property lines adjacent to the residential zoning district. **Mr. Lancaster moved, seconded by Mr. Scott** to adopt said ordinance.

Mr. Hopkins stated that if the council adopts the ordinance, there does not have to be any different findings of fact. However, if the council votes against adoption of the ordinance by majority, then the council has to have different findings of fact based on the public hearing the council held.

With no further discussion, Mayor Rushing called for the roll call vote which is recorded as follows:

AYES: Pete Lancaster, Linda Cherry, Pat Scott, Butch Seargent, Jane Brandon, and Bill Wells.

NAYES: Jeremy Bell, Dan Miller, John Bowers, Robert Billington, Greg Anderson, and Danny Hudspeth.

Mayor Rushing declared said vote a tie of 6 to 6; therefore, based on state statute the Ordinance is adopted.

Resolution Number 2009-012 a resolution authorizing the Mayor to make an application to the Kentucky Office of Homeland Security for an enhanced physical grant for funds in the amount of \$31,389.95 for a 75 kilowatt generator; \$9,945.52 for a key card entry system; \$17,972.77 for a video surveillance recording system at the police department was presented to the council for approval. **Mr. Bell moved, seconded by Mr. Wells** to approve said resolution. With no further discussion, Mayor Rushing called for the roll call vote which is recorded as follows:

AYES: Pete Lancaster, Greg Anderson, Danny Hudspeth, Jeremy Bell, Dan Miller, Linda Cherry, Pat Scott, John Bowers, Robert Billington, Butch Seargent, Jane Brandon, and Bill Wells.

NAYES: None.

Mayor Rushing declared said resolution approved.

Bill Wells provided the following information for the Make a Difference Day: 126 eyeglasses; 200 pounds of clothes; 165 inkjet cartridges; 19 cell phones; 20 tons of paper; 900 pounds of aluminum cans; 130 gallons of oil; 3840 pounds of glass; and 7 gallons of drugs. He stated the next Make a Difference Day will be held August 8, 2009.

Dr. Miller stated that he would like to see the traffic on Spruce Street by the semi tractor trailers addressed at a public safety meeting because that was a concern from the residents on Spruce and seems to be a legitimate concern for that area.

With no further business to come before the council, the meeting adjourned at 7:10 p.m.

H. Thomas Rushing, Mayor

Attest:

Harla McClure, City Clerk