

City Council
Walnut Grove City Council
Called Meeting Minutes
July 23, 2019 at 6:30 p.m.

Present at Meeting:

Mayor Lamar Lee
Councilman Moore
Councilwoman Pilgrim
Councilman Shultz
Councilwoman Witcher
Mike Malcom, City Attorney

I. Call to Order

Mayor Lamar Lee called the meeting to order

II. Invocation

Invocation given by Councilwoman Witcher

III. Millage Rate for 2019

City Clerk Katherine Glass stated the reason for this meeting was to have the Council meet together before the public hearing on setting the millage rate. Even if you don't all agree you will have the opportunity to discuss your reasons for why you feel the way you do. Then at the end of the night even if everyone doesn't agree then you will have had an opportunity to discuss with each other your position. Now I have set the stage so you can go ahead and present your position. In your packet you each have the agenda then your 2019 tax digest, this is what Tommy Knight, the Chief Appraiser with Walton County sent me, then the legal ad which will run in the paper on July 31st. This ad must run at least a week before the public hearing which will be on August 8, 2019 at 6:30 p.m. Just for reference I also included a copy of the budget the Council adopted in June. Councilman Shultz made a motion to approve the agenda, Councilwoman Pilgrim seconded the motion, motion passed.

Mayor Lee turned the meeting over to the City Clerk, Katherine Glass.

Katherine Glass asked City Attorney Mike Malcom if he had anything he wanted to add or anyone else. Mike Malcom stated he wanted to make sure we are on the straight and narrow as far as where we were. Katherine Glass asked the Council Members if they just wanted to take turns speaking. Councilwoman Pilgrim - for clarification the millage rate is currently at 6% and we didn't do anything to change that before the budget was adopted. Everyone didn't approve of the budget, but it was passed and adopted. My question is, can we even do anything but the 6% or whatever the rollback was 5.752? Is there anything at this point for this year that can be done? Based on the fact, we considered it at 6% when we did the budget and the budget was passed. Mayor Lee asked Mike Malcom if he could comment on that. Mike Malcom stated the Council could go back and revisit the budget later. If you go down, one thing Derry Boyd told me is if you go down it is really hard to go back up or increase. Just for instance with this lining these ditches once we get these trees out that is a \$30,000 expense you were not counting on and so those are the kind of things

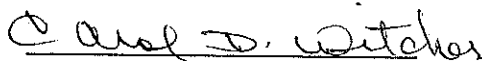
that pop up during the year and you don't want to dip into your "rainy day fund". I know we have a money market but that is a quick example and a current example of an expenditure when we were talking about the budget that wasn't even discussed. That's a pretty good chunk of change. Councilwoman Pilgrim - I know you can't label everything when you are doing the budget because you can't see into the future. That's a question I had; I know the County has already done the estimated taxes where they send it out and give you an opportunity to...all that has already been done so I just wondered if we wanted to do something or if it was even possible to do it at this stage or should we just put it on the agenda next year and work on something before we set the budget for the coming year. That's my thoughts. Councilwoman Witcher - So Linda you are proposing we stay at the 5.725, roll back to that or stay at.. Councilwoman Pilgrim - no roll back to the 5.725. My question was, if we wanted to cut in deeper than that and what are the consequences? Councilwoman Witcher - the consequences would be very dire if we were to do that. Like he said, the unforeseen things and we have to consider as a Council, really stop and consider the unknown things happen and then we are the ones responsible for trying to take care of it. So, I'm thinking you are on the right track with that. Councilman Shultz - What was the 6.00 to the 5.725? Was there.. City Clerk Katherine Glass - when they did the appraisals some of the properties appraised higher and we wanted to bring in the same amount of money in. So, to bring in the same amount of money we actually do a rollback. Councilman Shultz - So I would think probably that small percentage rolling back wouldn't affect the budget. Katherine Glass - No because what we put in the budget was to bring in the same amount of money and the 5.725 brings in the same amount. Councilman Shultz - so it won't affect it a whole lot but if we went deeper because I have gotten several emails from people wanting to roll back to 3%. I can't see that. Yes, I would love to do that because that affects me as a taxpayer as well. I can't see cutting it literally in half. That's dire. I just don't know how we can be good stewards like Councilwoman Witcher was saying when things come up and our Counselor was talking about projects. We have a \$30,000 project we did not anticipate with a budget that we are going to have to move some line items around or dip in heavily to the projects portion of that. Mayor Lee - Let me throw a little something else out. We are going to have to expand that sewer plant. We are already at max. Councilman Shultz - with the new development that is going in? I knew that was coming because that will put us at capacity. City Clerk Katherine Glass - that takes up the residential capacity. Mayor Lee - Then you have your commercial up front too. Councilwoman Pilgrim - Once the sewer is online and you have actual customers you will have money coming in for that to go toward the expansion. So, all of that won't come from city tax I'm hoping. Councilman Shultz - Yes, then there will be the cost of running it, the operational cost will go up once we get more customers involved. Because right now we have what, two customers involved? So, when you add, what's the proposed houses? There will be an increased operational cost. The tap fees and the fees they will pay will cover some of those costs. But we will have to plan what those fees would be to cover that. I wouldn't think we would go up more than 6% if we had to go up down the road when that happens. But 6% is what we started out at when we decided to impose a City tax. I understand the rollback because of the increased property values. But hopefully as the property values continue to increase and we have more citizens we can roll back a little bit more as time progresses. But to rollback and literally cut it in half at this stage of the game is not realistic and prudent. Myself personally I will not vote to cut it in half. That's just me. I know that's not what some of the citizens


wanted. Personally, when I look at my tax bill, I see it. I saw the increase. Yes, when I look at my tax bill, I would like to roll it back to zero percent. We have things we need to do in the City to flourish and grow and push this city forward. Paying taxes is one of those things they always say there are only two things in life, death and taxes. So, I hate to say that, but I think the 5.752 is good. It keeps us in line with what we took in last year based off property value assessments from the tax assessor's office. Councilman Moore – I totally disagree. After looking at our total cost at the end of last year and our expenses including the increase in the sewer expense. We had a net income of \$102,000 a net income covering all our expenses, buy a piece of equipment and with that 102 net income and you take a look at our property value taxes at \$200,000 half of that we could get by with. And that is not including looking at these figures and making some cuts. And looking at these figures that also included a \$97,000 expense on paving the roads. Just these figures at our year end cost if you have looked at them June's finals for the year. So why we have increased our operating costs and decreased our paving costs is beyond me. I cannot justify this. We can get by with the 3% mill rate, cut that in half by \$90,000 and still have a net income. Just looking at the figures. Too, looking at the figures for the last five years we definitely could make some cuts in a lot of different areas. I'm including of course the cost increase normal for inflation. But this I cannot agree with this. That's just my opinion from the days of working on our cost. City Clerk Katherine Glass – Did you say we cut back on paving? Councilman Moore - Well in this current budget we have \$50,000 for roads and sidewalks. Last year we paid \$97,000 for paving of Cambridge Chase that came out of general funds. So, we cut that budget by \$40,000. Now I agree, we have things we need to plan for, but we don't have that plan in place. As far as the sewer expense, realistically if and when, the PUD comes online it maxs out our residential side but does not max out our commercial side. So, we are not maxing out our sewer plant. That is something we need to clarify. When we max out the 50% of our commercial then we can take a look at expanding our sewer plant. We do, I agree, have a lot of things we need to budget for and put money away as far as road repair, park repair but not to the expense of our taxpayers. We can put this money away under the old budget and do the things we need to do for the City. We need to take a hard look at this budget. There are a lot of questions I have but I am not going to go into them today. That's something that should have been answered when this budget was created. City Clerk Katherine Glass – We had work sessions for the budget, and we combed all through it. Councilman Moore – Well and like I said I don't want to go through the budget today. That's not a question, we could roll back this 3 and then we could have another work session as far as where we could make some cuts and where we could make our expenditures a lot more efficient. Councilman Shultz – well if we roll back to three, we are going to have to make cuts no if and or buts. Mayor Lee – that's right. Councilman Shultz - I go along with Derry Boyd, he's the expert in the matter, and if he says that going back is a lot worse than increasing, I am going to trust his years of experience. I've also heard that from other friends who are council members. And with millage rates going up is hard but I've also heard that before tonight when Mike made mention of Derry Boyd's assessment of going back. So, I have heard that and it makes sense to me. I don't have anything further. Councilwoman Witcher – I concur with what Linda has said and what Kevin has said, I think if we roll back, I don't think it should go any lower than the 5.752. We have to anticipate what is going to happen. We have a lot of equipment that needs to be replaced. We have trucks that are running 30 years old. We need to be concerned about

the safety of our people that run that equipment. We need to look at many other things before we decide to roll back and cut our throats. If we cut back to 3 and we have situations that occur next year we won't have anybody come in here and say bump it up. Why don't we take care of these situations now? Mayor Lee – Let me tell you about the trucks. One of them caught on fire this week. And it is not running. Councilwoman Pilgrim – which one? Mayor Lee – the service truck It's a 90's model, all the wires burned off of it. Councilwoman Witcher – People tend to forget we are citizens too. Each of us has to pay the taxes. I don't mind paying the taxes because I know how a city runs. You start taking taxing away from the City all you can hope is millionaires move in and they pass and leave you as their beneficiaries. This City has to run on money and it's the only logical way we can receive money is through that. And I feel like we should be prudent in what we do. I'm not making any promises to anybody as to what it will be. I'm looking at it as closely as I can. I'm listening, I'm talking to people who are busing in my ear and they understand what it takes to make a City run. And if we are going to grow like we want to and be prudent in the things we do we have to have a decent amount of money coming in. Councilwoman Pilgrim – Will we consider options other than 3% or 6%? Is there anything in the middle? Mark Moore – I'll take whatever I can for the citizens. But I'm just looking at numbers. Just plain out numbers that's all. That's where I'm getting my information from. I'm not basing my decision on whether or not our citizens are paying. If they need to pay this then I would make an argument for it. But looking at these numbers I can't agree with it. I think 3% will bring in all the money that we need. And we can save for all the functions you just ask. Because they are already there. I can see from last year's adjusted budget where we can make a lot of cuts. Councilwoman Witcher – Show me a suggestion of one. You said you didn't want to discuss it so why are we sitting here? Councilman Moore – I don't know. Councilwoman Witcher – I don't know either. Councilman Moore – I tell you what is better for me instead of going through these lines, look at your last financial statement in June. Look at that year end cost. I'm asking each councilmember to take a look at that. Look at those numbers and I think you'll agree. That's without making any cuts whatsoever.

Councilman Shultz – Mr. Mayor if there is no other discussion, I make a motion we adjourn, Councilman Moore seconded the motion, motion passed.
Adjourned at 6:57 p.m.

Approved by the Mayor and Council this 8 day of August 2019.


~~Mayor Lamar Lee~~
Carol D. Witcher
Mayor Pro Tem


Katherine A. Glass, City Clerk