

City of Pelham
City Council Work Session
January 18, 2010

MINUTES

Members of the Pelham City Council met on January 18, 2010. The work session was held in the conference room of Pelham City Hall and was open to the public.

The following elected officials were present:

Mayor Don Murphy
Council President Mike Dickens
Councilmember Teresa Nichols
Councilmember Bill Meadows
Councilmember Steve Powell
Councilmember Karyl Rice

Media Present: None

Others present: Tom Seale, Gary Waters, Eddy Jowers, Officer Pat Cheatwood, Fire Chief Danny Ray, Johnny Busby, Brian Cleveland, Mike Morgan, Tracy Markert, Scott Cook, Roy Lambert, Scott Bottchen, Butch Byrd, Marsha Yates, Police Chief Tommy Thomas, other city employees and members of the public.

The council work session was called to order by Council President Mike Dickens at 5:30 pm.

Approval of Minutes

A motion was made by Councilmember Teresa Nichols to approve the January 4, 2010 work session minutes. The motion was seconded by Councilmember Bill Meadows and by voice vote the motion passed unanimously by all members present.

Old Business

None

New Business

Mr. Dickens introduced Scott Cook and Tracy Markert from Mercer, Inc. Mr. Cook discussed with the Council Mercer's plans for the salary survey project and the scope of services included in the contract. He explained the Mercer staff would be on sight February 16-17, 2010 to conduct the employee meetings and surveys and to answer any questions the City of Pelham employees may have. Mr. Powell asked if all employees would participate in the survey and would there be any one-on-one interviews. According to Mr. Cook, all full-time employees will have the opportunity to complete a survey but there will be no one-on-one interviews unless

there is a need to clarify answers in the questionnaire. Following the questionnaire phase Mercer will perform a classification review and refinement and market analysis. Mr. Cook said as many as 15-20 cities will be asked to participate in the market analysis. Mr. Dickens cautioned Mr. Cook to make sure the budgets of the cities surveyed are comparable to Pelham's. Councilmember Karyl Rice reminded Mr. Cook the City of Pelham has a full-time paid police and fire department. Mr. Powell stated the location of the city was very important when surveying our "competition" for employees. The council asked if they could suggest questions for the survey. Dr. Nichols suggested including the auditors recommendations. Questions suggested by the Council included those on post-employment health benefits, education incentives and where does the City want to set the pay scale in the market. Additional phases of the salary study will include salary structure and how many steps and educational levels will be included in the design of the pay scales. Pay policy recommendations, cost impact analysis and implementation will also be a part of the Mercer's salary study. Dr. Nichols asked for pay structures across different departments to be included.

Mr. Dickens commented he wanted to see salaries consistent and fair. Employees must buy in to what the city is trying to accomplish. Mercer must minimize the anxiety among the city's employees and give the Mayor the tools to hire good, qualified employees. Mr. Dickens said we must have full cooperation from all employees and assume positive intent of the part of the city.

Mayor's Comments

Mayor Murphy updated the council on the community's efforts in retiring the mortgage debt of Police Officer Philip M. Davis. To date, over \$ 65,000 has been raised to retire the mortgages. The Mayor noted there would be a "Meet the Candidates" at the Greater Shelby County Chamber of Commerce meeting on January 27, 2010 at the Civic Complex. Almost all the candidates for governor have committed to attend. Youth baseball sign-up is this weekend and on February 7, 2010 Shelby County will celebrate its 192th birthday with a reception and program at the county museum in Columbiana.

Review of Council Agenda

Mr. Dickens reviewed the council agenda for January 18, 2010 and noted other council business would be addressed in the work session as time permits.

Resolution 2010-01-18-01 accepting bid for hauling and the disposal of sewer waste sludge. Mr. Meadows asked how the bid was advertised. Public Works Director Eddy Jowers said bids were sent to the current vendor and all vendors on the bid list, of which there were none on the current list. Mr. Jowers further stated he asked our consultant to provide a list of names and companies providing this service and received none. According to Mr. Jowers, both the consultant and city attorney advised the city to bid the disposal of sewer waste sludge.

Resolution 2010-01-18-02 affirming the City's support of the 2010 U.S. Census.

No comments.

Resolution 2010-01-18-03 authorizing the financing of police vehicles. Police Chief Tommy Thomas stated there were a number of factors determining the rotation schedule of police vehicles. Those factors include mileage, age and mechanical problems. Retired police vehicles are passed down to other non-patrol divisions within the police department and to other departments in the city. Finally, the vehicles are auctioned to the highest bidder.

Resolution 2010-01-18-04 authorizing the issuance of a certificate designating the promissory note as a "qualified tax-exempt" obligation of the City of Pelham.

No comments.

Resolution 2010-01-18-05 authorizing payment of COBRA health and vision insurance premiums for the family of Officer Philip M. Davis' surviving wife and two children for February 2010.

No comments.

Resolution 2010-01-18-06 authorizing the purchase of a permanent water main easement from State Park Road to the MMI water tank. Mr. Jowers explained this easement will allow a tie-in with the County water system and provide drainage. Mrs. Rice asked for an explanation of the easement location.

New Business - Continued

Mr. Powell discussed proposed Ordinance 441 which would provide additional death benefits to employees killed in the line of duty. The ordinance was originally brought before the council in the January 4, 2010 work session. Mr. Powell further explained the specifics of the ordinance drafted with the assistance of City Attorney Butch Ellis. Mr. Meadows requested Mr. Powell talk with a member of the State of Alabama's Department of Risk Management. Mr. Powell said work on the ordinance has progressed and he asked for input from the council. Dr. Nichols asked the council to consider voting on the proposed ordinance in February in order to have time to get it right. Mr. Powell asked the council to consider the amount to provide as a death benefit in the ordinance, he suggested \$ 75,000. He said this benefit would apply to all employees, regardless of their position with the city. Mr. Dickens asked Mr. Powell to bring a recommendation to the council for a vote on February 1, 2010. Mr. Powell asked all member of the council to call him with any questions and recommendations. Dr. Nichols said it was good to look at this additional benefit for all our employees at this time. She further thanked Mayor Murphy for his and the community's efforts in retiring the mortgages of Officer Philip Davis. Mr. Dickens thanked Mayor Murphy for his leadership.

Mr. Meadows brought to the attention of the council the possibility of pending legislation in the Alabama House of Representatives or Alabama Senate regarding prescription drugs being exempt from gross receipts business licenses. Revenue Director Mike Morgan explained the history of the legislation introduced last year, which failed to win legislative approval in 2009. Mr. Morgan commented if the bill becomes law the City of Pelham would lose approximately \$ 30,000 per year in gross receipts revenue. Mr. Dickens polled the council about adding a

resolution opposing any bills exempting prescription drugs from gross receipts business licenses. Mr. Dickens asked the City Clerk to prepare a resolution to that affect and to add the resolution to the January 18, 2010 agenda.

Mr. Dickens asked the council to review the sewer rate increase which became effective on January 1, 2010. Mr. Dickens stated it has his understanding the rate increase would apply to water used in January 2010. Any water, even one gallon, used in December 2009 would be charged the existing rate prior to January 1, 2010. Mrs. Rice, Mr. Powell and Mr. Meadows agreed with Mr. Dickens. Dr. Nichols disagreed. Mr. Dickens explained that water used in December 2009 was included in calculating the January 2010 billing. Mr. Jowers explained the billing process. Mr. Dickens addressed Mr. Jowers and said January 1, 2010 was when the new rates should have taken place and no water used in December 2009 should have been included in the January 2010 billing. Mr. Dickens discussed several options to address and fix the problem.

Recess

Mr. Meadows made a motion to recess the council work session, which was seconded by Dr. Nichols. The motion passed unanimously by all those present and the work session recessed at 7pm.

Reconvened

The council work session reconvened at 8:05 pm following the regularly scheduled city council meeting. All members of the council, including Mayor Murphy, were present.

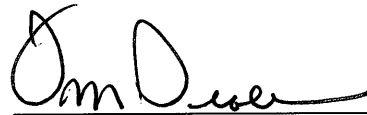
Discussion continued regarding the sewer rate increase, Ordinance 156-4. Mr. Dickens asked for recommendations from the council. Mr. Meadows advised that the problem be fixed with no increase in sewer rates with water used in December 2009. Dr. Nichols noted the sewer engineers and city attorney were consulted about the timing of the rate increase, which had originally been set to begin on October 1, 2009. Mr. Dickens and Mr. Powell stated there was no negative intent on the part of any city employee. Mr. Dickens asked for a show of hands from the council on fixing the January billing as follows: (1) Any water used during the month of December 2009 will be charged the sewer rates prior to January 1, 2010. (2) Any customer overcharged on the January 2010 billing will have their account adjusted to the correct amount. (3) Customers will see the effect of the new sewer rate increase on their February 2010 billing. The council voted 4-1 to fix the problem as outlined above, with Dr. Nichols voting no. Mr. Jowers asked for clarification and guidance from the council and further explained the billing cycle process. Mr. Dickens asked Mr. Jowers to fix the billing problems per the council's directions. There were additional comments among the council members to fix the billing problems. Mr. Dickens asked the city clerk if a new ordinance or resolution was needed in order to address the timing of the sewer rate increase. City Clerk Tom Seale said in his opinion a new ordinance or resolution was not needed. Mr. Dickens asked the city clerk to call the city attorney on Tuesday to verify. (City attorney Butch Ellis was called on Tuesday. Mr. Ellis stated that it was his opinion a clarifying sewer ordinance or resolution was not needed.) Dr. Nichols stated she was not happy with the procedures tonight. She advised the City should honor the advice

from our attorney, consultant and Mr. Jowers. Mr. Jowers was asked to review Ordinance 156-4 regarding the implementation of Phase 2 of the sewer rate increased on January 1, 2011.

Adjournment

Mr. Meadows made a motion to adjourn, which was seconded by Mr. Powell. The motion passed unanimously by all those present and the work session was adjourned at 8:26 pm.

Respectfully submitted,

A handwritten signature in black ink, appearing to read "Tom Seale", written over a horizontal line.

Tom Seale
Finance Director / City Clerk