

**CITY OF TALLADEGA  
CITY COUNCIL CALLED MEETING**

March 4, 2010

The City Council of the City of Talladega met in a called meeting on Thursday, March 4, 2010 at 5:00 p.m., in the City Hall Auditorium, the regular place for such meetings. The meeting was called to order and the following were present: Council President Horace Patterson, Councilman Donnie Miller, Councilman Eddie Tucker, Councilman Lance Grissett, Councilman Jimmy Davis, and City Manager Michael Stampfler.

City Manager Stampfler started out the meeting with some “general comments” stating that the council has expressed interest in presenting different options concerning the budget. Tonight he is not asking for any action on the council’s part but before getting to the point where a decision is made on the budget, he wished to lay out a few possible options. Mr. Stampfler continued to say that many communities across the country are in financial difficulties and Talladega is no different. There is always a possibility that there may be a need for layoffs in the near future, but he believed that layoffs could be avoided if the city can streamline. He further stated that while many believe that things should remain the same, he believed the city has too many employees in the wrong position, which leads to today and his recommendation of several options as a prelude for steps to be taken as decisions are made about this year’s budget. He further stated that Talladega has to realize that business as usual has not worked nor will it work in the future and that most of the recommendations are cost saving measures.

Council President Patterson asked Mr. Stampfler to expand on the comment “too many employees in the wrong position.” Mr. Stampfler indicated that not being able to meet the EPA and ADEM consent orders was one example. At this point Mr. Stampfler read out loud the memo he had presented to the Council:

“At the Council meeting of December 7, 2009, on the heels of issues concerning the City not being able to meet conditions of the EPA Compliance Agreement and the ADEM Consent Order, numerous safety issues, a Council tour of facilities, the Council requested that I enter into discussions with management firms to assume the operation of the Talladega Water & Sewer Department (TWSD). The Council has also previously been made aware of the financial issues of the TWSD, including fiscal deficiencies as outlined in audits by Edgar & Associates dated January 30, 2009 and January 29, 2010.

Since the request of the Council was made the Request for Qualifications (RFQ) was advertised, tours of the TWSD were conducted for interested firm, proposals were taken and interviews were conducted. The City received interest from six firms, with four submitting complete proposals for consideration.

At this time proposals by two firms that meet the conditions outlined in the December 4, 2009 memorandum to the Council are being reviewed. The aspect that remains is the matter of personnel benefits, a complicated issue that involves significant interplay between the City, the prospective companies, legal counsel, and the Retirement Systems of Alabama (RSA) in order to determine any proposed recommendations concerning City employees.

In regard to both the ADEM Consent Order and the EPA Compliance Agreement, it appears likely that the TWSD will not meet the standards outlined in these documents: consequently I would not be in a position to certify compliance in the annual report to the EPA, due in September 2010. Many issues outlined in Compliance Agreement and Consent Order remain unaddressed, including the Shocco Pump Station repair,

collection system improvements, the implementation of the Fats, Oils and Grease (FOG) Ordinance, and Sanitary Sewer Overflows (SSO's). IT is a distinct possibility that the Compliance Agreement and/or the Consent Order will be continued or that debarment could occur due to the lack of progress on the goals that were agreed to be the City but have not been able to be completed. In reality, the TWSD has neither the professional expertise and leadership, nor the funds to meet the terms of the Compliance Agreement and Consent Order. The efforts of the City to contract for the management of the Utility and improve the financial standing of the Utility represent the only long-term solution to this situation.

It is recommended that the Council authorize the Administration to continue discussion with two firms, in order to determine which can provide the greatest benefit to the City. I expect this effort will require another 8-10 weeks and some expense to resolve.”

Mr. Stampfler further commented that the 8 to 10 weeks would fit in to the budget work session time line.

Manager Stampfler then read from a memo presented to the council concerning reorganization of the Community Appearance Department.

“This proposal stemmed from a request by Director Bast to fill six vacancies within his department caused by retirement, termination, and death. Based on the current budgetary situation I asked Director Bast to consider several other alternatives, with the state goal being to improve services while realizing cost savings. After several meetings to work through the issues with Director Bast and Assistant City Manager Muenger, this proposals is recommended.

The attached proposal entails the merger of the Parks Maintenance Department and Municipal Golf Course staff into the Community Appearance Department. This merger would allow the City to consolidate all grounds maintenance activities into one department, providing a higher level of efficiency. This merger will allow the City to realize a cost savings of approximately \$74,000.00 annually with no reduction in services by eliminating the necessity of filling four of the six currently vacant positions.

It should be noted that only vacant positions are eliminated in this merger, and that all current employees will be retained at their current rate of pay, or in several cases higher rates of pay. The reorganization promotes two long term City employees to Construction Supervisor positions to assist Director Bast in the management of the expanded department.

I recommend that Council approve this merger in concept. An official ordinance will then be drafted and brought forward for Council consideration. It is expected that this reorganization will take four to six weeks to implement.”

Council President Patterson asked if this could be done without Civil Service approval? Mr. Stampfler responded that if the council thinks this is an alternative then it will have to go through Civil Service Board for approval before reorganization could occur. Council Tucker indicated that he didn't like the idea and felt things should be left the way they were. Council Grissett indicated that this was a significant reorganization that needed time for discussion and review in a work session.

Next Mr. Stampfler went on to the topic of Recreation Center usage. He read from a memo he had presented to the Council concerning the Brecon and Bemiston Recreation Centers.

“...memorandums from Assistant City Manager Muenger and Parks Director Neloms, as well as associated data detailing the underutilization of the Brecon and Bemiston Recreation Centers and associated costs. Attendance and use data is tracked by Parks & Recreation staff, and an examination of these numbers revealed that during a four month period (August 5, 2009 – November 29, 2009) these centers were utilized by less than 25 patrons each week combined. Comparatively, Spring Street averages over 700 each week and Mabra over 330.

As would be expected with such poor attendance, these centers both collect low revenue. During the same 4 month time period noted above the Brecon Center posed a loss of \$15,110.47, while the Bemiston Center showed a loss of \$9,463.38. It is projected that at this rate the two centers would lose roughly \$100,000 over the course of the fiscal year alone.

Based on the poor usage of these Centers and the very significant cost to the City, it is recommended that both centers be closed as soon as possible. This measure would include no elimination of jobs; all staff from Bemiston and Brecon would be relocated to fill existing vacancies within the Spring Street Recreation Center at current rates of pay.

If this recommendation were accepted and enacted by April 1, 2010 the City would save approximately \$20,000.00 this fiscal year in operating expenses alone. Additionally, the closing of these centers would allow the redirection of some \$48,000.00 in Capital Improvement funds, which could be utilized in more active centers. Finally, the transfer of the staff from Bemiston and Brecon to Spring Street would allow the City to fill internally two needed Recreation positions, saving the City a projected \$23,774.40. The total value of the savings and efficiencies realized through this measure, then, would be \$91, 744.40. All current staff would be employed at the Spring Street Recreation Center at their current rate of pay. This action will not reduce the Parks & Recreation Department programming ability and does not reduce any staff or staff salaries.

The City Attorney has provided an opinion on the matter of closure of these centers, addressing the issues of how these properties came to be owned by the City and what conditions must be met to cease operations at the facilities. He has indicated that with respect to the Brecon, no restrictions are violated by the closure of the center, as long as the property is used for a recreational purpose; this condition is met by the recreational use of the public park and sports field located on the Brecon property. With regard to Bemiston, there are no limitations, provided the property is not converted to a for profit use.”

Councilman Tucker asked if the total savings has to rest on the back of the Recreation Center? Councilman Tucker further commented that a recreation center is not suppose to make money but provide services and that the recreation centers cannot be only place in the City that cuts need to be made. Councilman Davis indicated that the City just can't afford to keep these centers open that are not being used and that he felt the City can provide the services through the two open centers.

Manager Stampfler then addressed the topic of DPW Director and Deputy Police Chief and read from his memo presented to the Council.

“It is recommended that the Council approve the filling of the position of Department of Public Works (DPW) Director, as previously recommended on September 25, 2009 and as discussed on a least one other occasion. The DPW is in need of additional management expertise to allow a balance between the supervision of employees, and more technical work such as the development of long-term improvement plans, grant proposals, and departmental policies. This need for additional supervision was evidenced recently with the theft of over \$4,000 in fuel using Departmental credit cards.

Also, it is recommended that the Council approve the creation of the position of Deputy Chief of Police, as initially recommended on August 6, 2009. This position would assist in management of the Department and provide much needed successor management at times when the Police Chief is absent. Additionally, this position would oversee all training activities within the Department and assist in Departmental hiring and promotional procedures.

Both of these positions are fundamental to ensuring that appropriate levels of management oversight area experienced. Funding for these positions is available from the general fund using savings which have been realized through positions vacated by retirement and resignation; this is in addition to those positions left vacant during the budgeting process due to the Council enacted hiring freeze.”

Manager Stampfler further commented that all indicators on the state and national scene show that the budget situation is difficult for all kind of communities. If the City had not done changes early on such as centralized purchasing, change what is paid for the School Board, and the most recent decision to collect our own taxes, if we had not done all of this, the situation would be far more severe. He further stated that if we weigh the alternatives and take action we will find ourselves in a better position. Actions such as closing low attendance rec centers and a management firm for the water department, perhaps there can be an improvement of the infrastructure and not raise rates for water at the 8% each year. Mr. Stampfler stated that he knew these were difficult decisions to make.

Council President Patterson indicated that he would like to see some additional proposals with other positions cut other than those suggested. He stated that he did “not believe that this City was in the dark ages until some one came on the scene and that maybe the new positions that have been created will need to be cut. You say we have too many employees in the wrong position, but there needs to be some consideration of loyalty. The problem with the Water & Sewer Board management was not the problem of the employees but of the management. What can we do with the present staffing patterns we have and do we need 12 million?”

Mr. Stampfler responded that he estimated it would be \$30 million for improvements. Council President Patterson further asked “what can we do ourselves that we are asking the company to do for us and are they going to borrow the money on our behalf? If so why can’t we do that?”

Councilman Grissett stated that he had been asking for mid-year analysis concerning cost cuts for the last two years and that he was somewhat criticized when he asked for the hiring freeze. Councilman Grissett stated the he didn’t believe the proposed options were the “only way” to improve the City’s financial situation. Councilman Grissett also asked if a plan private company management of the Water Department would guarantee that the employees’ benefits will not be effected. Council President Patterson added by asking if “going to privatization that there is no jeopardy to the employees’ retirement?” Mr. Stampfler stated that he would need another 8 weeks to know and that from day one there has always been the concern that employees’ will have same or better benefits and that what is being worked out now is whether the companies can do it. Manager Stampfler further stated that he will not recommend a proposal without equal or better benefits for employees.

There was further discussion concerning the effect of privatization on current employees and the level of service to the community.

A date of March 22, 2010 was set for a work session with March 29, 2010 also set aside for another work session if needed.

There was further discussion on the closing of the Recreation Centers and whether they were to viewed as profit centers or centers to provide services despite the revenue producing potential. Councilman Miller stated that athletics needed to be pushed more from basketball games, to volleyball, to other sports. Council President Patterson stated that further discussion was needed. A Public Hearing on the closing of the Brecon and Bemiston Recreation Centers was set for April 12, 2010 at 5:00 pm.

There was further discussion of staffing shortages in the Parks & Recreation Department as well as other departments. Councilman Grissett wanted to make the point that the gasoline theft mentioned earlier was not an employee.

Motion by Councilman Grissett with a second from Councilman Tucker for adjournment.

### **AUTHENTICATION**

I, Elizabeth Cheeks, Acting City Clerk of the City of Talladega, Alabama, do hereby attest that the foregoing is a true and correct copy of the proceedings of the City Council of Talladega, Alabama, which met in a called session on Thursday, March 4, 2010, at 5:00 p.m. at City Hall in the City of Talladega, Alabama.

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Elizabeth Cheeks  
City Clerk