



## TOWN OF ASHLAND CITY

### Special Called Budget Workshop Meeting

June 17, 2025, 6:00 PM

### Minutes

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#### CALL TO ORDER

Mayor Greer called the meeting to order at 6:00 p.m.

#### ROLL CALL

Mayor Greer

Councilman Tim Adkins

Councilwoman Binkley

Councilman Michael Smith

Councilman Kevin Thompson

Councilman Tony Young

#### ABSENT

Vice Mayor Chris Kerrigan

#### APPROVAL OF AGENDA

A motion was made by Councilwoman Binkley, Seconded by Councilman Young, to approve the agenda. All approved by voice vote.

#### APPROVAL OF MINUTES

1. Approve June 10, 2025, Special Called Budget Workshop Minutes

A motion was made by Councilman Thompson, Seconded by Councilman Smith, to approve the June 10, 2025, Budget Workshop Meeting Minutes. All approved by voice vote.

#### PUBLIC FORUM

**Karen Boyte:** She stated that she may not have to speak because Councilwoman Binkley passed out the email that she sent to the Council members prior to the meeting, she offered to read it if they would like her to. The Council Members choose to read it themselves and moved into the report section with Attorney Noe.

#### REPORTS

2. ATTORNEY: Jennifer Noe stated that she did not have anything to add that is not already on the agenda.

#### UNFINISHED BUSINESS

2. Budget Discussion - Kellie Reed, Jamie, Winslett, James Bence

James Bence was not available through zoom for this meeting.

Mayor Greer gave the floor to Kellie Reed.

Kellie Reed advised that there are a few items left to discuss, and she sent an email to the Council members outlining the discussion for this evening.

1. **Raises** – She emailed the Summary sheets showing the changes and what the costs would be for the 1.5%, 2.0%, 2.5%, and 3% would be and the difference it would be if there was a bonus given opposed to raises.

**Mayor Greer:** The difference between 1.5% and 3% is \$ 73, 900.00 (seventy-three thousand and nine hundred dollars).

**Kellie Reed:** advised in the General fund that is correct.

**Councilman Adkins** added: I calculated at the 3% it would be a difference of \$ 145, 700.00 (one hundred forty-five thousand and seven hundred dollars) with No COLA and 3%).

**Kellie Reed:** advised that sounds accurate.

**Mayor Greer:** asked the council how they would like to proceed with the raises.

**Councilman Adkins:** advised he would like to see the employees get something, but he would like to look further to see if items can still be cut from the budget that has not been cut yet so that we would not have to raise property taxes.

**Kellie Reed:** responded not to her knowledge.

**Councilman Thompson:** asked about the money that is resting and is supposed to be used toward Music on Main (HOTEL/MOTEL TAX).

**Kellie Reed:** We will get to that soon. There is close to \$ 96,000.00 (ninety-Six Thousand Dollars) that is restricted for Tourism.

**Mayor Greer:** stated that these funds could be used for some of the items we currently have in line items and some of the other park projects that would help with Tourism in the city.

**Kellie Reed:** advised that it would help lower the O&M for the Parks Department.

**Councilman Adkins:** wanted to know how much the property tax increase would be for the 2% and the 3% raise. A 2% increase would increase the deficit to \$ 454,000.00 (Four-Hundred Fifty-Four Thousand Dollars) and 3% would increase the Deficit by \$ 503,000.00 (Five Hundred Three Thousand Dollars). How much would a property tax be to cover the whole deficit with the raise included?

**Kellie Reed:** advised that at 1.5% it would be a difference of \$ 71,800.00 (Seventy-one Thousand and Eight Hundred Dollars). At a 96% collection rate you would need a raise of 2 or 3 cents (Two or Three Cents) property tax increase. At 2% the difference would be \$ 96,200.00 (Ninety-Six Thousand and Two Hundred Dollars) and you would need to raise it by 4 cents (Four Cents). For the 2.5% it would be a difference of \$ 121,400.00 (One Hundred Twenty-one Thousand and Four Hundred Dollars) the increase would increase to 5 Cents (Five Cents). For 3% the difference is \$ 145, 700.00 (One Hundred Forty-five Thousand and Seven Hundred Dollars) the increase would be Six Cents.

**Councilman Adkins:** clarified he would like to know the total increase with the current deficit plus the raise increase amounts. He calculated it would be 17 or 18 cents (Seventeen or Eighteen Cents) to cover the deficit and the raise. He feels that we are not having a water and sewer increase this year, but we need to give our citizens a break somehow.

**Councilman Thompson:** advised that technically we did last year when we decreased from .58 cents (Fifty-Eight Cents) to .36 Cents (Thirty-Six Cents). He suggested a 1.5% raise and 5 Cent (Five Cents) increase in property taxes to get us back out of the red.

**Councilman Young:** stated that he has received some complaints about increasing the property tax rates to give raises to the employees.

**Councilman Adkins:** asked what else could be cut besides the Building and Codes Positions.

**Mayor Greer:** advised to take away more would be decreasing services.

**Councilman Thompson:** advised that the Town has grown by 3,000 (Three Thousand) people between 2016 and now.

**Mayor Greer:** advised that he, Allen Nicholson, Kellie Reed, and Jamie Winslett went through multiple sessions and cut as much as they could before it came to the Council.

**Kellie Reed:** advised when the budget was started and it was proposed; they allowed the Department Heads to propose what they wanted in the budget and the original budget deficit was over a million dollars. Section 10 shows what the budget was last year. It defines what each department has in its budget for this current fiscal year. If you compare what was in the budget last year and what is proposed this year you will be able to see where those cuts are. Most of the departments made significant cuts.

**Attorney Noe:** asked Kellie if the budget includes the additional cost of the TCRS change for Hazardous pay?

**Kellie Reed:** stated that she would get to that discussion. She gave the board the option to table the discussion and hear the rest of the changes and come back to it for a decision. The Council Members decided on giving the Employees a 2% COLA raise and increasing property taxes by 17 Cents.

**Councilman Smith:** stated that right now everyone is having a hard time hiring employees and retaining them. If people have experience in any department they will choose to go to other jobs for more money.

**Department Head Clint Biggers:** stated that if they give a lump sum, it does not go towards the pay scale, so the people who top out will not get a lump sum. If anyone is topped out, they would not get it no matter what the bonus is.

**Violet Black (HR):** added that if it is COLA they change the pay scale to reflect the change, and COLA is different than merit raises.

**Mayor Greer:** it would be stipulated that this would go to all full-time employees if they were choosing a one-time bonus instead of the COLA raise.

**Clint Biggers:** He added that residents are saying something about raising taxes for pay raises. If we had not built a Fire Hall and City Hall, we would not be in a deficit. You can't hurt your family because you want to build new buildings, if you must raise taxes, that is just part of it. You raise taxes to build buildings.

**Department Head Chief Chuck Walker:** advised that they have no way to top people out. Before this administration there were departments getting merit raises and other departments did not know about it so we asked and it turned out that we had an employee (example: Fire Captain) in the same line for 15 years and still making \$ 15,000.00 (Fifteen Thousand Dollars). Because when we get the COLA it bumps the line up to a higher pay so that was the reason for the merit raises. The previous administration said this was the only way to get them topped out. The county has a policy of 5 years, and they are topped out if they do a good job and meet their merit. We have no system in the city and that is why we put money there in the last 2 years to try to get some of their people topped out that have stayed 15 years. We advertise these jobs at the top out pay but they are not able to get there. After all of this is settled, we need to come up with a policy or we are false advertising these positions. He is speaking on behalf of the Fire Department, and they would wait on the hazardous pay to make sure the city employees get their raises.

**Attorney Jennifer Noe:** Asked Kellie how much the property tax rate would need to increase to cover the entire deficit and the 2% COLA increase.

**Kellie Reed:** Advised, to cover the entire deficit of \$ 479, 644.00 (Four Hundred Seventy-Nine Thousand and Six Hundred Forty-Four Dollars) we would need to increase the property taxes by a .17 Cents (Seventeen). That would give us a little more than the deficit at a total of \$ 484,160.00 (Four Hundred, Eighty-Four Thousand and one Hundred and Sixty Dollars). If you raise the property tax of 16 Cents it would equal \$ 455,680.00 (Four Hundred Fifty-Five Thousand, Six Hundred and Eighty Dollars).

**Mayor Greer:** asked for some figures on the different percentages of the COLA raise and to pay off the deficit too.

**Kellie Reed:** went through all the figures and then asked the board to decide how to put it in the budget for the first reading. For 3 years the city did not have a tax increase. The city is on the radar with the comptroller because your budget was turned in last year with an O&M deficit.

**Attorney Jennifer Noe:** The board was not made aware of the deficit last year. This means that you already dipped into your Fund Balance last year. How much did we dip into the Fund Balance last year, if you are able to answer this?

**Kellie Reed:** Go back to your Summary Sheet, the budget was presented to you with your O&M at \$ 606,097.00 (Six Hundred Six Thousand, ninety-Seven Dollars). I will have to investigate that figure. The projection this year was under that at \$ 353,467.00 (Three Hundred Fifty-Three Thousand, Four Hundred sixty-seven Dollars). If you increased the property tax by 17 cents it would make the rate .538 which is just a little higher than it was in 2022 when it was adjusted to pay the same amount when the appraisals went up.

**Councilwoman Binkley:** she would like to get the new bucket truck. She would support a higher tax increase to take care of as much of the deficit as possible and add the Bucket truck back into with the COLA raise.

**Kellie Reed:** stated that it could possibly lower your O&M because of the maintenance costs on the older truck. The truck was going to be inspected and come back to the board and inform them of the cost to fix it.

**Clint Biggers:** advised they are waiting in line because there are very few places that can inspect and certify the truck we currently have.

**Mayor Greer:** asked if they were suggesting putting the Bucket truck back in the Capital Outlay. The council all agreed to add the truck back into the budget.

**Mayor Greer:** 2% COLA, Add Bucket Truck, Raise Tax Rate to .5348 (10 cent increase) like it was previously.

**Kevin Thompson:** 2% COLA, Add Bucket Truck, Raise Tax Rate to .5348 (10 cent increase) like it was previously.

**Michael Smith:** 2% COLA, Add Bucket Truck, Raise Tax Rate to .5348 (10 cent increase) like it was previously.

**Tim Adkins:** 2% COLA, Add Bucket Truck, Raise Tax Rate to .5348 (10 cent increase) like it was previously.

**Tony Young:** 2% COLA, Add Bucket Truck, Raise Tax Rate to .5348 (10 cent increase) like it was previously.

**Nicole Binkley:** 2% COLA, Add Bucket Truck, Raise Tax Rate to .5348 (10 cent increase) like it was previously.

**Vice Mayor Kerrigan:** Absent

2. **TCRS Hazardous Pay for Police and Firefighters:** Kellie Spoke to James Armistead and got some valuable information on the program. She explained in simple terms; If you have 30 years vested with TCRS, you can retire at any time. At any age you can retire with TCRS and draw based on that formula. The top 5 (Five) salary years and then calculate What you can be paid for 30 years of employment. The amount you draw monthly will increase if you continue your employment for the past 30 years. Hazard Pay offers an enhanced benefit for anyone who is vested after 5 years but has not reached the 30 years. If you are aged 60 and not at the social security age you can take early retirement if your age is between 60 and 67 (sixty and sixty-seven) if you are Police or Firefighters. This is half of the enhancement of the bridge program, and it does not require them to retire early. The predetermined amount that TCRS says that you must contribute as an employer is 7.14% and the board voted that the city would contribute 7.5% and reduce liability. If you pay the costs in a lump sum payment of \$ 205, 673.00 (Two Hundred Five Thousand Six Hundred and Seventy-Three Dollars) all employees rates for the employer paid contribution in addition to the 7.5% that the city currently pays would go up .34%. You would have to pay 7.84% of their salaries. This rate would affect all employees not just Police and Fire. The budget is calculated at 7.5% and if you choose to make the change, I will have to recalculate the budget because it will be a drastic change. We have not turned in the TCRS certified rate currently. It is not due until July 1. We could withdraw the rate if you choose the lump sum and adding an additional .34% would increase it to 7.48% and we have calculated enough for that. The three options are lump sum payment, you can amortize the rate for a year which would increase the TCRS rate, and you would pay 7.5% plus 12.23% for a year and after the year the 12.23% would drop off and then you would have to adopt whatever TCRS says your liability is. The rate is based on your liability, or you could do it for 10 years, and you don't get to choose any other time between one year and 10 years. The 10 years would be 7.5% plus 1.91% and after the 10 years 1.91% would be dropped off. You will have to pass a resolution sent by TCRS to accept one of these methods.

**Attorney Jennifer Noe:** confirmed that no matter which option is selected it would increase the deficit in the budget.

**Kellie Reed:** advised that the board does not have to accept this right now it can be revisited later but the numbers will change, and it will require a new study for the lump sum payment.

**Councilwoman Binkley:** If we do push this to next year it will make giving all the employees a COLA raise. Mayor Greer and all the present Council Members agreed to wait until next year for the Hazardous duty pay.

**Kellie Reed:** Stated that Jamie Winslett is looking into ways to generate Revenue through MTAS. She would prepare the budget with the COLA at 2% and add the bucket truck back, and 10 Cent property tax increase. No increase in the Water and Sewer bills this year. We are still waiting for Billy Harris to get some additional information on the number of bills

affected. She advised the board what the Multi Modal Grant is and how it works. The Hotel/Motel tax can be used for any expense the Council would deem to promote tourism. There has been a little over \$ 91,000.00 (Ninety-One Thousand) this year. Some of the things that was cut from the Parks Department can be added back in if the board deems the project will promote Tourism.

**Jamie Winslett:** We will need to update the Resolution for Hotel/Motel Tax.

We will have a Special Called Budget Meeting on July 1, 2025, after the Workshop.

## **OTHER**

## **ADJOURNMENT**

A motion was made by Councilman Thompson, Seconded by Councilman Young, to adjourn the meeting. All approved by voice vote and the meeting adjourned at 8:00 p.m.

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MAYOR GERALD GREER

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CITY RECORDER MARY MOLEPSKE