

## MINUTES

**Finance Committee  
September 30, 2020  
City Hall  
4:30 p.m.**

**Council Member Jason Peterson and Council Member Rusty Nix were in attendance. Council Member Willie Goldsmith was absent.**

Council Member Peterson called the meeting to order at 4:30 p.m.

Council Member Nix made a motion to approve the Minutes from July 29, 2020. Council Member Peterson seconded. ALL AYES . . . MOTION APPROVED.

The City Clerk presented the following summary report:

### ***August 2020 Financial Summary***

*As the report indicates, we continue to meet or exceed our expectations regarding our amended budget as far as revenue is concerned. Sales Tax Revenue for August was actually up month-to-date over last year by around \$4,000 at \$239,450 – well ahead of our minimum \$200,000 goal. (Notably, Sales Tax Revenues for September so far is \$201,041. That’s down from the year before, but still ahead of our target number.) It is also my pleasure to report that, at the 91.67% mark for the fiscal year, Business License collections were at 101.87% of budget. Franchise Fees were at 103.11%, and Property Tax at 105.88%. Its worthy of note, as well, that Liquor Taxes were at 121.64% of budget, Beer Taxes at 115.40% of Budget, Wine Taxes at 101% and Tobacco Taxes at 179.34% of the amended budget. It is also notable that our Golf Revenues are at 98.90% of the amended budget, and Golf Expenditures are at just 85.93% of budget. Overall revenues are at 95.87% of budget – around 4 points ahead of where we would otherwise expect. All of this is great news.*

*On the expenditure side, you’ll note that most departments are at or below budget. Only a few are over. Importantly, Revenues over Expenditures – our bottom line – is \$229,563 year to date. That too is excellent. You will note that our bottom line this same time last year was a negative \$27,72.63. Therefore, we are in very good shape going into September – our final month of the fiscal year. What’s more, as of the end of August, we had just over \$1 million in our GF bank account. As you know, that is simply unheard of for this time of year. So, all of this is very good news and serves as a testament to our responsible oversight and management of our city’s finances.*

*Although all of our numbers are not in yet for September, since I won’t be here to report on the fiscal year end, I will say that I would not be surprised if we ended the fiscal year with a surplus of \$200,000 or more – even after dealing with the impact of COVID-19. This is a really strong and amazing result, and paints an entirely different picture of the reality of our financial condition than the dark and gloomy landscape so carelessly and thoughtlessly brushed by our detractors on Facebook and elsewhere. During*

*this difficult economic time, you should all be very proud of what this administration has done. I sincerely doubt there are many mayors or councils out there who can claim to have done anywhere near as well as you all. Congratulations! You and all of our department heads have done a fantastic job. It has been great to work with you all. I'm truly going to miss serving you all, and the citizens of Montevallo – at least those who are able to discern the difference between Facebook folly and fiscal reality.*

*Herman Lehman  
City Clerk and Treasurer  
September 29, 2020*

Mayor Cost attended the meeting via Zoom. She indicated that we learned from the lender financing our capital improvement project that he was contacted by Council Member (Mayor-elect) Nix who sent the following:

*Good morning Mr. Chris Walker,*

*My name is Rusty Nix and I am mayor elect of the City of Montevallo. Alabama case law establishes that a predecessor council cannot bind a successive one in perpetuity. The new Administration would like the revisit this situation after we take office. Until we are sworn in we cannot act as a governing body. We will be sworn in the 1<sup>st</sup> week in November.*

*Thanks,*

*Rusty Nix*

The Mayor asked Council Member Nix to explain this email.

Council Member Nix said he wrote the email on behalf of the incoming Mayor and Council. He said he could tell from their nods during the council meeting that they disagreed with the council's action.

Mayor Cost pointed out that the loan was approved by the current City Council and that the incoming council has nothing to do with this. Plus, she pointed out that at least two of the incoming members she spoke with knew nothing about this and did not agree with his action. She noted that this project will enhance our downtown, and is in accordance with our Comp Plan. She asked why he felt he could ignore the legal actions of our city council and choose to express his own concerns to our lender.

Council Member Nix corrects minutes as, both did not disagree with the Mayor, David Kind and Sonya Swords told me they didn't disagree.

Council Member Nix explained that he spoke with Bent Owens, our City Attorney, and that Mr. Owens suggested he take that action.

Mayor Cost said she was surprised Mr. Owens would make that recommendation, and was offended that Council Member Nix would disregard the will of this council and take an action like this on his own.

Council Member Nix corrects minutes as, Head nods from 5 new council members in meeting.

Council Member Nix noted that the Comp Plan is an 8-10 year plan, not two months.

Mayor Cost reminded Council Member Nix that we've been working on these projects for years, through multiple administrations. If this project gets delayed or derailed now by his independent actions, it could be another 8-10 years before an opportunity like this comes along again.

Council Member Nix said he simply felt that the new administration should have a say-so in this decision.

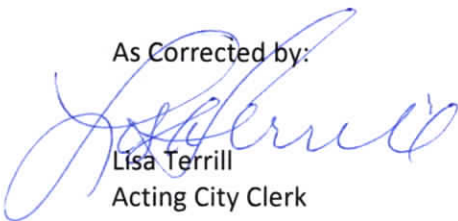
Mayor Cost reminded him that just because our term is nearing an end, that does not mean our work or responsibilities have ended. We still have things we must keep working on. She said she was especially disappointed because she has made every effort to work with him in order to ensure that the transition to his administration is a smooth one. She informed Council Member Nix that she intends to do everything in her power to ensure that this project moves forward as approved by the council, unless we hear something to the contrary from our City Attorney.

There being no further business before the committee, Council Member Nix made a motion to adjourn. Council Member Peterson seconded. ALL AYES . . . MEETING ADJOURNED at 4:44 p.m.

Submitted by:

Herman Lehman  
City Clerk

As Corrected by:



Lisa Terrill  
Acting City Clerk