

**SPECIAL ADJOURNED MEETING OF THE COUNCIL  
OF THE CITY OF BIRMINGHAM**

**JUNE 29, 2007, at 2:00 P.M.**

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The Council of the City of Birmingham met in the Council Chambers of the City Hall of Birmingham on Friday, June 29, 2007 at 2:00 p.m., in special adjourned meeting.

Present on Roll Call:	Council President	Smitherman
	Councilmembers	Abbott (Arrived as herein indicated)
		Bell
		Duncan
		Hoyt
		Parker
		Witherspoon
Absent:		Montgomery
		Royal

Mr. Al Herbert, Mayor's Chief of Staff distributed to each Councilmember the Mayor's response to the Council's budget requests.

The City Clerk read the following correspondence into the record:

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# MEMORANDUM

CITY OF BIRMINGHAM  
OFFICE OF THE MAYOR  
Bernard Kincaid, J.D., Ph.D.  
Mayor

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**TO:** Councilor Carole Smitherman, President  
**FROM:** Mayor Bernard Kincaid  
**DATE:** June 29, 2007  
**RE:** *FY '08 Budget*

This memorandum is in response to your e-mail dated Thursday, June 28, 2007, and sent at 7:33 PM. Also, you sent a revised e-mail dated Friday, June 29, 2007, at 10:31AM to which I am responding as well.

In reviewing your requests with the budget team and Law Department staff, we assume that you are requesting that the Mayor and his staff cut each object code in each department with the exception of Fire, Police and Public Works by 10%, based on the Mayor's Proposed FY 2008 Operating Budget, submitted by me on May 15, 2007.

It is not feasible to implement your request by the Administrative staff, because it does not comply with the directives of the Mayor-Council Act of 1955, As Amended (the Act). Additionally, if these adjustments were made by staff, as requested by Council, the Finance Director has informed me that he would not be able to certify the FY 2008 Budget, as amended by Council, is balanced.

Listed below are the reasons that your request cannot be implemented:

## **Required Action by the Council**

As stated in my letter to you dated June 26, 2007, if it is the Council's intent to amend the Mayor's Proposed FY 2008 Budgets, Section 5.09 of the Act requires the Council to specify the items it wishes to strike and to specify the items it wishes to insert in order to ensure the Budget is balanced. As presented, Council's request is not in compliance with the Act.

## **Required Actions by the Mayor**

In compliance with the Act, the Mayor is required to submit Budgets that are prepared in accordance with accepted principles of municipal accounting and budgetary procedures and

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techniques. In reviewing the request submitted by the Council, and after consultation with staff, it is impossible to apply your recommended procedures, because the Council's request does not provide the necessary information to determine the specific items and amounts to be stricken and the amounts to be added from which the amendments to the Mayor's Proposed Budgets can be prepared. Listed below are some questions that the Council's request raises, which must be addressed because they have an impact on how the Budget amendments should be prepared:

1. The Council must specify the particular department it wants to cut and list the exact amount it wishes to strike from each object code within the department.
2. If amounts budgeted for positions are to be stricken, compliance with the Act would be achieved by selecting the specific position that the Council chooses to strike.
3. Some of the departments have "contractual obligations" included as a line item. The Mayor-Council Act mandates that "no item of expenditure for debt service, or any other item required to be included by this act... shall be reduced or stricken out." There are some contractual obligations in various departments which are listed in the Mayor's Proposed FY 2008 Budget. These contractual obligations cannot be stricken without incurring liability for the City.
4. The additional cost of health and dental insurance expense for Blue Cross is included in each department. While we are not "obligated" to provide that fringe benefit, we have recommended the \$2.1 million increase we are being charged for FY2008. Does this mean that we cut that amount by 10%--thereby, not being able to absorb the increased health and dental insurance expense?
5. The Council's consultant has stated that the estimates of expenditures for line items contained within the Mayor's Proposed FY 2008 Budget, other than those related to vacant positions, are reasonable based on his analysis.

Please note that the Director of Finance has communicated to me that the adjustments, as proposed, do not set out the specific amounts to be stricken and added to the Budgets, and thus do not provide the necessary detail from which budget amendments can be prepared.

Your cooperation in the matter is appreciated greatly.

BK:MJ/cdh

**cc:** *Councilor Miriam Witherspoon, President Pro Tem, District 7*  
*Councilor Valerie Abbott, District 3*  
*Councilor William Bell, District 5*  
*Councilor Carol Duncan, District 2*

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*Councilor Steven Hoyt, District 8*  
*Councilor Joel Montgomery, District 1*  
*Councilor Maxine Parker, District 4*  
*Councilor Roderick Royal, District 9*  
*Cheryl Kidd, Council Administrator*  
*Ann Hooks, Deputy Administrator*  
*Chaz Mitchell, Budget Analyst*  
*Doug Turner, CENSEO*  
*Al Herbert, Chief of Staff*  
*Tamara Harris Johnson, City Attorney*  
*Budget Team*

Councilmember Smitherman made a motion which was seconded by Councilmember Hoyt to reduce each department by ten percent (10%) with the exception of the Fire, Police, and Public Works Departments. A vote was taken, however, because of further discussion on the matter, the result of the vote was never declared by the Presiding Officer.

Councilmember Abbott arrived and assumed her seat as a Councilmember.

Councilmember Smitherman made a motion which motion was seconded by Councilmember Duncan, and adopted, that the meeting be recessed until 4:30 o'clock p.m.

The meeting was recessed at 3:45 o'clock p.m. until 4:30 o'clock p.m.

The meeting reconvened at 4:30 o'clock p.m. and was called to order by the Presiding Officer.

Present on Roll Call:	Council President	Smitherman
	Councilmembers	Abbott
		Duncan
		Hoyt
		Parker
		Witherspoon

Absent:	Bell
	Montgomery
	Royal

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Councilmember Smitherman made a motion which was seconded by Councilmember Parker, and adopted, that the meeting be adjourned. The vote was announced by the City Clerk, whereupon the meeting was adjourned at 4:35 o'clock p.m.

**Approved: July 17, 2007.**

Carole Smitherman/s/  
**PRESIDENT OF THE COUNCIL**

Carole Smtiherman  
**Printed Name**

Paula R. Smith/s/  
**CITY CLERK**

Paula R. Smith  
**Printed Name**

**APPROVED AS TO FORM:**

Tamara Harris Johnson/s/  
**CITY ATTORNEY**

Tamara Harris Johnson  
**Printed Name**