

CITY COMMISSION MEETING

JULY 16, 2012

The City Commission met this date in special session in the Commission Chambers. A quorum being present, the meeting was called to order at 6:00 PM with the following in attendance.

Mayor	:	John B. Arnold, Jr.
Commissioners	:	Heyward H. Strong, Jr.
	:	Kay Hamilton
City Clerk	:	Tammy Johnson
City Administrator	:	Carl Scott
Police Chief	:	Joe Hart
General Manager VBCS	:	Burt Bennett
Director Public Works	:	James Valandingham
Fire Chief	:	Mark Norris
Library Director	:	David Weatherford
Recorder	:	Beth Millsaps

Others in attendance: James Butler (camera), Del Lessard (Bay Beacon), Arlene Murphy

1. FLOC Annual Conference Voting Delegate

Mayor Arnold stated that we would need a voting delegate for the FLOC conference that will be held in Hollywood, Florida, August 23 – 25, 2012. Mayor Suggested that Comm. Strong be the voting delegate to represent our city and Comm. Hamilton agreed. Comm. Strong will be the voting delegate for the FLOC annual conference.

FLOC
Annual
Voting
Delegate

2. Budget Workshop

Mayor Arnold said we have to have a proposed millage rate to the tax collector by the 3rd of August. The millage rate can be reduced but we can not increase it. We will have another meeting on the 23rd of July to begin pairing down the budget.

Budget
Workshop

Mrs. Johnson said this FY 13 budget shows the revenue versus the expenditures, reserves, and where we are as far as differences. Also the balances of the reserves which could change if we decide to use some of the reserves.

It also shows a history of COLA and merit increases beginning in 2008 up to 2012. Mrs. Johnson said usually to budget for merit increase she budgets in 3 %, there is 4 % in between each step increase but not everyone will receive that in the year. Mrs. Johnson said that the draft budget includes an ad valorem rate of 5.6% which would take a unanimous vote of the Commission to pass. The roll back rate is 4.0993, but to balance the budget as is it would take 5.6 % rate or thereabout. Mrs. Johnson said the roll back rate is a higher rate than last year but it will allow for the same amount of money to be received for this year. The budget also contains a 10% increase in health care, 3.5% increase in workers' comp, \$6,500 for non profit donations, COLA, raises and the final Ad Valorem rate still to be determined. Mrs. Johnson also included a chart of an average employee's expense including their taxes, retirement, worker's comp and insurance whether it be on employee only, employee & child, employee & spouse, employee & family or to opting out of the insurance.

There is a break down in millage rates starting with 3 mills and going up to 5.6 mills using the 95% rule, 4.0993 is the "rolled back rate", 4.8001 and below require a majority vote, 5 to 5.2801 requires a 2/3 vote and above 5.3 will require a unanimous vote of the Commission. There is an illustration of what the COLA increases would be in each department, Mrs. Johnson said if merit raises were to be considered that would show in the 3 % category, those numbers would have to be added to the budget because they are not in the budget as of yet.

In the general fund budget there is no carry forward or reserve.

Administration Department there is a slight increase in wage and benefits for life and health insurance. Mayor asked if the wages and benefits included the employee that Mrs. Johnson would like to go from part time to full time and she said no, it did not, that change was included in capital items in the back of the handout. The overall expenses have increased from \$376,410 to \$382,790.

The library had a slight increase in wages and benefits mostly because of the life and health insurances. Overall library has increased from \$232,530 to \$235,325. Mr. Weatherford had a question regarding overall property coverage that Mrs. Johnson said she did not know off the top of her head but that she would find out and get back with him. He wants to make sure everything is covered in the event of a disaster.

The police department has also increased in wages and benefits for the insurances, however their actually operating expenses have gone down from \$171,250 to \$140,975 partly due to the fact that there will be no purchase of a new police car this year.

The fire department they also had a slight increase in wage & benefits, the fire department had several increases and decreases that look to be about a wash and the overall budget had increased slightly from \$258,900 to \$259,950.

The parks department there would be a small increase for wages and benefits. The department is down in O & M, however the overall expenses went up about \$3,000.

The shop department had a small increase in wage & benefits due to health insurances, overall the shop's O & M had gone down however, the overall increase is less than \$1,000.

The cemetery budget had a decrease in expenses.

Non departmental budget there was a slight increase in wages & benefits. Most all the numbers have gone down and some have gone up overall the budget for non departmental is down approximately \$49,000. With a difference of \$138,268 to the positive due to the Ad Valorem rate.

For capital & non operating, administration \$27,000; library \$33,000; police department \$47,000; fire department \$7,000. In regards to parks Mrs. Johnson said with parks and streets we were working with two different budgets. She showed the budget with the DOC squad if we went with that option it would save ½ position \$19,000. However it is a little different from the last budget figures because now the DOC squad would be divided between three departments, parks, streets and sanitation.

Mr. Valandingham stated that a representative from the Department of Corrections, would be happy to come before the Commission next Monday and give a presentation.

Comm. Strong asked if the \$7,000 showing in Chief's Norris's budget in O & M, is the same \$7,000 shown as capital. Mrs. Johnson said she would check with Comm. Morgan because the \$7,000 seems to be there twice and she would check on that with him.

Back to the capital and non operating items on shop there is building repair of \$12,000. The total capital is \$134,700, a possible change regarding the \$7,000 from fire.

Mr. Valandingham said in regards to the building repair, in the last meeting he was instructed to take care of that in this years budget. He said that he had met with 4 contractors and received two proposals & without mentioning money because he is still waiting on the other two proposals the building repair will be completed in this year's budget. Mrs. Johnson said overall the numbers in capital and new operating would change by approximately \$19,000 or \$12,000.

Mrs. Johnson said regarding stormwater that we would be receiving a bill from Polyengineering so that would be the first expenses out of that department this year, there are no expenses forecasted for next year.

Mrs. Johnson said in the streets budget there is an increase in revenue from \$291,215 to \$303,485. Wages and benefits went down. Mrs. Johnson said we might have budgeted a little high last year and this is keeping the ½ employee. The expenses are also down, due to less in street and traffic signs. Under capital items the Department of Corrections work squad is listed as to how much it will be and then if the ½ of position

is eliminated that will be \$19,000 subtraction. However that still leaves us in a negative \$79,910 in streets.

Mayor asked what department the Department of Corrections squad is listed in. Mrs. Johnson said it will be in three departments, streets, sanitation, and parks. If the squad is not used the full time person would be paid ½ from streets and ½ from parks, if the squad is used it would eliminate a full time position and now a full time position in sanitation. Mayor asked if we could utilize the squad in sanitation. Mr. Valandingham said they could be used in recycling & that the position it would eliminate in sanitation is a vacant position at this time.

In the utility budget there was an increase in revenue due to the rate increase, a small increase in wages and benefits due to insurance. Mrs. Johnson said we have a rather large increase in water operating expenses which mostly comes from water tank maintenance.

There is a slight decrease in sewer wage & benefits, sewer operating increased but most of that comes from sewer plant operation. Mayor asked if it that was because of the borrowed money from the upgrade. Mrs. Johnson said part of it is due to flow meter problem, cost of administration, and the increase in the Regional Sewer Board. The water and sewer expenses only went up a couple of thousand dollars, and it is a balanced budget with \$30.00 to the good.

Communications budget there is a large decrease in pole attachment fees. Comm. Strong said he, Mrs. Johnson & Mr. Bennett “scrubbed” the revenue down, and that is why there are so many red marks on this budget, he said that he believes we have set good revenue for next year. Mrs. Johnson said that in wage & benefits that went down due to a long term employee leaving, he has not been replaced as of yet but when the position is filled it will be for a lesser amount of money. She said we were looking to increase the standby wage of cable to match that of the water & sewer department. Operating expenses the large increase is warehouse stock, these are the items kept “on hand” to give to our customers, with a deficit of \$36,110. Comm. Strong said that he would like that amount to come from reserves. Communications is not requesting any capital items this year.

Sanitation department a projected carry forward of \$41,100 an increase in revenue due to the carry forward. Wages & benefits are up a little due to life & health benefits. Mayor Arnold asked about the line item entitled “bad debt”, Mrs. Johnson said that is going down it is what we bill but we do not get everything that we bill, that number is there to make the Commission aware of that. There is a \$20,000 for a vehicle purchase not for purchase this year but to have a replacement fund so that we may buy a sanitation truck in the future. The difference between revenue and operation expenses is \$43,150. Under capital we have a wage increase for 7 employees \$21,840, also included is the work squad, one position would be eliminated if we went with the DOC work squad for approximately \$38,000, also to place cart tippers on trucks that we already have and to purchase some large garbage cans. Mrs. Johnson said that leaves us with \$782,980 in revenue & \$782,970 in expenses putting that department \$10 to the good.

Mayor Arnold asked about income from the recycling program. Mr. Valandingham said yes there will be some revenue. Mayor requested that an amount should be put in revenue from the recycling.

Mrs. Johnson said that is the budget in a “nutshell”. Mayor Arnold said he would like to thank Mrs. Johnson for her hard work in putting the budget all together, getting all the information to the Commission so that they can take a good hard look at it. Mayor said they will have their first crack at it Monday night. He asked if there was interest in having the Department of Corrections come make a presentation regarding the work squad.

Comm. Strong said the real problem that he sees is that Mrs. Johnson has used the 5.6 mills for the budget & that probably is not going to happen. He said we should look at the DOC option and Comm. Hamilton said she was very interested in hearing from the DOC. Mayor asked Mr. Valandingham to have the representative come to the meeting next Monday the 23rd at 6PM.

Mayor said we were running short on time concerning the budget; tentative millage had to be set within two weeks. Mayor said if any questions to contact Mrs. Johnson or any of the department heads to clarify anything listed. Mayor said the only thing he had to add is that the budget did not include any increase in services not water, sewer, cable or sanitation.

Adjourn

There being no further business to be brought before the Commission, the meeting adjourned at 6:41 PM.

Adjourn

John B. Arnold, Jr.
Mayor

Heyward H. Strong, Jr.
Chair, VCA

ATTEST:

Tammy Johnson CMC
City Clerk

July 16, 2012

The DVD labeled July 16, 2012 contains the audio and video of this meeting and will be kept as a permanent part of these minutes.