

MINUTES
CITY COMMISSION MEETING
August 25, 2014

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

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| Mayor | : | John B. Arnold, Jr. |
| Commissioner | : | Heyward H. Strong, Jr. |
| | : | Kay Hamilton |
| | : | Joe Morgan |
| | : | Clark (Tom) Browning, IV |
| City Clerk | : | Tammy Johnson |
| City Administrator | : | Carl Scott |
| Police Chief | : | Joe Hart |
| Fire Chief | : | Mark Norris |
| City Attorney | : | Hayward Dykes |
| Public Works Director: | : | James Valandingham |
| Library Director | : | David Weatherford |
| Recorder | : | Beth Millsaps |

Others in attendance: (Not inclusive) Amber Elledge (camera), Richard Byrd (Bay Beacon), Kevin Maloney, Tom & Diane Miller, Tom K Miller, Randall Roberts, Craig Hamilton, Lauren Reinlie, Hubert W. Hobbs, Jr., Mike Hudson, Obie O'Brien, Robert Webb, Donald Collins, Steve Griner, Dr. Michael Harris, Lynwood Knowles, Terry Griffin

Mayor Arnold said we have two activities we have a special meeting called for by Comm. Morgan, Comm. Browning and Comm. Strong and then we will adjourn and go into a budget workshop.

Comm. Morgan said the purpose of the placement of Ordinance for the Charter Amendment revision was not to usurp the voters, but to give the current stance of the Commission and the opportunity to repeal the amendment. He said this had not been a plan or device but from public outgrowth of an ever increasing awareness that this Commission did not hold the series of public workshops, like had been promised immediately prior to the vote.

Comm. Strong said the reason he requested this is because when we started the discussion of the charter change I said we need to base line it, the changes and what the cost effectiveness would be. He said he put his letter in to the Mayor to request this meeting because he had spoken to a lot of citizens who didn't understand the charter change. Comm. Strong said it was agreed that public hearings would be held and those were not done, people are being led to believe this was placed on the ballot by unanimous vote of the Commission but it was not unanimous. He said as a Commission we should at least discuss it tonight. What the Amendment was and how it was to be implemented so questions could be asked and answered. I wanted to give the public this opportunity. He would challenge the Commission since we probably have not prepared our citizens to vote on this we unanimously say it is not ready to be voted on.

Comm. Hamilton said she disagrees strongly we held ten meetings and workshops on this and all of that information is available on the website. She said she has spoken to people who are excited about this change, feel it would be a positive step forward, to try and stop this from happening now would be to disenfranchise the voters of the city. Mayor Arnold said he did not know the intended objective for this meeting tonight. Comm. Morgan said he would like to poll the current Commission, if the vote was placed today, Mayor Arnold said he would be out of order. Mr. Dykes said to vote on Ordinance No. 656 would be improper.

Comm. Hamilton said the citizens had been informed, there had been ten meetings, all of those meetings were recorded and available on DVD. Comm. Hamilton said now Comm. Morgan is telling people just don't vote. Comm. Morgan said I have never told anyone not to vote, I want for the community to know what is being voted on but I never said not to vote. Comm. Morgan said before you we have three Commissioners saying wait a second. Mayor Arnold said we had three Commissioners who agreed to have it on the ballot, we had ten workshops plus two public hearings. Mayor Arnold said an Ordinance must have a first reading and then a second reading within ten days we do not have that time available the vote is tomorrow.

Mayor Arnold said to do this would be to disenfranchise the voters. Comm. Morgan said he wants to know how the public feels about this situation. Mayor Arnold said that would show tomorrow night after the ballots were cast. He asked what the objective is tonight. Comm. Morgan said to hear from the public. Comm. Hamilton said public input when you have loaded the audience with your group, we had ten meetings. Comm. Morgan said at the workshops we received a majority of negative input to change, we promised Mr. Miller at several meetings that we would have further workshops to explain it, that did not happen.

Mr. Dykes said in his opinion on Ordinance 648 the proposed amendment adopted by ordinance any repeal would have to be done the same way. Mr. Dykes said this is an odd situation, very late in the game to come up with, he understands the reasoning behind it but legally to follow procedure attempt to adopt tonight the 1st reading of Ordinance No. 656 and

Special
Meeting
Ordinance
Charter
Amendment
Revision

then a second reading would be opening the door for someone to bring a lawsuit. Mr. Dykes said what would protect the city legally is not to repeal Ordinance No. 648 allow the vote, if adopted implement the adoption and send a copy of the amended charter to the state. Comm. Morgan said this is a very weighty issue and he would like to invite the public to speak. Mayor Arnold asked what that would accomplish the referendum vote is tomorrow. Comm. Morgan said to give the public full knowledge, he would like the public to be able to speak.

Mr. Craig Hamilton, 319 Glen Avenue, whether this is done tonight or next month this is not in the spirit of legislating this town this is on the ballot let citizens vote. Mr. Hamilton said the attorney has given you his legal opinion, he doesn't understand why we have an attorney if no one ever wants to listen to the advice given. He said to not allow the vote would be to disenfranchise the voters.

Mr. Hubert W. Hobbs, Jr., 310 Hillcrest, said he couldn't afford to pay any more in taxes, this bill would raise taxes and he can't pay it. Mayor Arnold said no one is asking you to pay more in taxes, he feels that Mr. Hobbs has been misinformed. Comm. Strong said there is no way to know, we haven't budgeted for a city administrator with more responsibilities or public safety officer, maybe your opinion that it won't cost more but that's not his opinion. He said a public safety officer would require additional state mandated requirements.

Mr. Randall Roberts, 188 Grandview, said he had been a citizen in Valparaiso since 1952 and frankly the charter we have is what we have lived with since he has been a resident and it works, he thinks staying with what we have is the way to go. He said a change would require reorganization, hiring new people and more expense. Mr. Roberts said he has already voted and in doing so that referendum itself was very hard to read. He said the roman numerals do not explain what we are actually looking to do, wanted to know if it adequately satisfied the law. Mr. Dykes said yes it was written within the letter of the law. Mr. Roberts said Valparaiso has never shied away from a lawsuit, he doesn't think the citizens will even understand what is being voted on. You might have people challenge the ballot on the lack of transparency.

Mrs. Diane Miller, 202 Hickory, has been a resident since 1968. She said the Mayor has always been happy with the way it has ran with the things at his and the Commissioners helm, it has always been ran very satisfactory but she knows he has become influenced. She said a city administrator with extra duties, is there money in the budget to pay for that. Mayor Arnold said no. Mrs. Miller said we need to postpone this until we know what it will cost us to have one person doing all those things. There is certainly no reason to change it.

Mr. Thomas K. Miller, 265 Florida Avenue, said he has been living back here full time since 1985 but had lived here before in the 60's. What I do not understand is for year the city has ran well and now in a year there have been articles from people about how bad the city has been run and part of that has been how "magically" the charter change will prepare for the future. Mr. Miller said with this charter people have an interest in the city, Commissioners have an interest in their areas, citizens know that they can contact the Commissioners with any issues they have. The City has been operating efficiently and effectively under the current structure, the current system works. He said to let the residents vote since this is on the ballot now it is prudent to go forward. Mr. Miller said if the vote come back to change the charter he thinks it will be costly, and given six months to come to light that will be costly. He feels it will turn the city inside out and hope they don't vote it through. Mr. Miller said he hopes the citizens think hard before they decide but it is their responsibility now to vote.

Mr. Hamilton asked Mayor Arnold how long he had been Mayor, Mayor Arnold said 50 years, asked if he would run again, Mayor said no. Mr. Hamilton asked if he was for this change, if he was in favor of this, Mayor said yes but he didn't want to reply further.

Dr. Michael Harris, 205 Highland, wants to thank the Commission for the work they've done in bringing the referendum forward, apparently some feel it's not right but should be to the voters to decide. He said people who have already voted want their vote to be heard, absolutely the people's choice anything else would hurt the city. Dr. Harris said from a business man's stand point he wants the town to be successful. Who else would know better than the Mayor if this government is inefficient. He said look at the inefficiency now, he believes this would save taxpayers money, it is so easy not to change. Dr. Harris said as one of the largest employers here he has fought to make it here. He said one of the biggest praises of the referendum is the city would be run by professionals that would help rid the city of waste and lower taxes. He said whatever happens, happens but we can't take away the vote.

Mr. Thomas G. Miller, 202 Hickory, said the charter didn't need to be changed. He said the local government has not been inefficient and it has worked under this system for over 30 years with the same Mayor, now all of a sudden it doesn't work. He said the city manager form of government was being floated around and that was shot down and now we have the city administrator with more duties. Mr. Miller said still have the same expense just a different name, spend a lot of money to replace something that isn't broken. He said he felt the whole thing was being pushed through.

Mayor Arnold said Comm. Morgan this was your initiative. Comm. Morgan said his only intention was to hear what people think, he said his personal feeling is to let the voters vote. Comm. Morgan said however he feels the Commission has not done its due diligence and he

apologizes for that, read the articles and the referendum and cast your vote on merit, his only concern is an efficient government.

Mayor Arnold said no action will be taken on Ordinance No. 656. He thanked everyone for their attendance and input, we would recess for 5 minutes and then begin budget workshop. Recessed 6:42 PM.

Budget Workshop, reconvened 6:47 PM

Budget Workshop

Mrs. Johnson said since the last meeting she has changed a few things. She changed the carry forward from \$50,000 to \$70,000 using the police department's new figure, we are bringing forward \$30,155 from reserve and this money is from the \$60,000 received for malpractice settlement.

ADMINISTRATION

Admin

Mrs. Johnson said everyone was asked to look at their budgets and reduce all they could by 5% in General Fund. In the administration budget there is a 2% raise for the employees for \$3,325, some line items could not be reduced such as vehicle insurance.

LIBRARY

Library

Mrs. Johnson said again she reduced line items by 5%, added the 2% raise but didn't add it to the new employee who will already see a 15% increase or the new part time employee.

POLICE

Police Dept.

Mrs. Johnson said she reduced what she could, \$30,125 for the new vehicle could not be reduced being purchased under a state contract. She also did not add 2% pay increase to this budget due to the increases for both police officers and dispatch that was discussed in the last meeting.

FIRE

Fire Dept.

Mrs. Johnson said reduced some items, she said she spoke with Chief Norris to verify which items could be reduced, she said they didn't reduce all of them but several and added the 2% increase for the employees.

PARKS

Parks

Mrs. Johnson said reduced several line items by 5%, included the 2% raise.

SHOP AND CEMETERY

Shop/ Cemetery

Mrs. Johnson said line items had been reduced by 5% and 2% increase added to both departments.

NON DEPARTMENTAL

Non-Departmental

Mrs. Johnson said several items have been reduced by the 5%, and added 2% for raises, also included is the 2% raise for the department heads. Mrs. Johnson has listed out all new and capital items, and the ad valorem rate stays the same and the budget is balanced.

Comm. Morgan said as far as raises has yet to be determined if COLA or merit. Comm. Morgan said .1 mill is \$18,069 the General Fund raises are listed at \$18,990 if we didn't do the raises we could drop down to the roll back rate. Comm. Morgan said if we went with 1% raise we still would be at the ad valorem roll back rate.

STORMWATER

Stormwater

Mrs. Johnson said only added the 2% raise to Stormwater.

STREETS

Streets

Mrs. Johnson said she added a 2% raise and she and Mr. Valandingham discussed the budget and feel comfortable with a carry forward of \$13,665, which will balance the budget.

UTILITY

Utility

Mrs. Johnson said the only thing changed was the addition of the 2% raise to the budget, department still has a positive balance of \$2,760.

COMMUNICATIONS

Communications

Mrs. Johnson said reduced reserve in cable and added the 2% raise, they have a balanced budget.

SANITATION

Sanitation

Mrs. Johnson said after 2% raises added still have a positive balance \$6,155.

Mayor Arnold said a decision needs to be made performance or COLA for raises. Comm. Hamilton said it is prudent to go by performance based raises but without a plan COLA is the best thing to do this year and explore performance based in the future. Comm. Morgan said set rate of 2% and allow department heads to award the 2% if performance based or 1% if they choose. Comm. Hamilton said to do that now would just muddy the waters better to go with COLA now and look to the future regarding performance based. Mayor Arnold said this is for all departments except for police those are taken care of. Comm. Morgan said the line item amount could stay the same, Comm. Hamilton said these are not big raises. Mrs. Johnson said do we need to do a resolution or ordinance to change the employee handbook, we can't just change the pay scale without changing the handbook. She said there are 4% in between each step.

Comm. Strong said if we delegate how the department heads distribute raises then it has to be merit raises not COLA. He said each Commissioner should talk to their department head on how they will handle it, he said both areas he handles could cover the raises without any additional money. Mayor Arnold said we need to pay attention to pay tables and scales. Comm.

Strong said all departments are going to be different. Comm. Hamilton said we should leave as a COLA raise and go forward.

Mayor Arnold said it is the age old problem who works for who, is it the Commissioner or department head who has authority, the last time the department heads had control over the raises they took everyone to the maximum. He said we can always award key employees special bonuses. Mayor Arnold said maybe department heads should have classes on how to award bonuses, if they are given the authority. Mrs. Johnson said she doesn't feel she ever awarded anyone more than they deserved, she is not sure how far back the Mayor is going back with that comment. Mr. Valandingham said he thinks people should be paid for by their performance. Comm. Morgan said pay 1% as COLA and then other 1% as merit.

Mr. Roberts said if the charter changes goes into effect won't one person be in charge of all of this. Mayor Arnold said if the referendum passes it won't go into affect for six months and we would work within the budget we have. Comm. Hamilton said the Commission will continue to oversee like a board of directors.

Mayor Arnold said to leave 2% in budget as COLA, he asked if everyone agreed on this budget. Comm. Morgan said with reserves and carry forward about 2%, agrees in principal but we are getting further and further behind with capital investments, consider 1.5% COLA or .5% except for the police department. Mayor Arnold said 1.5% instead of 2%. Comm. Strong said we had come into some money from the lawsuit and will be receiving money from FEMA, we could put the difference in the money from the lawsuit in the street department instead of General Fund, we would be using \$30,000 and the other \$30,000 could go to streets reserve. Comm. Morgan said he wants to be fair and feels 1.5% is adequate. Mrs. Johnson said on the \$70,000 carry forward she is being conservative, very conservative it will be more.

Mayor Arnold said this is the budget we will present on September 3rd at the first of two public hearings.

Adjourn

ADJOURN

There being no further business to be brought before the Commission, the meeting adjourned at 7:30 PM.

John B. Arnold, Jr.
Mayor

Heyward H. Strong, Jr.
Chair, VCA

ATTEST:

Tammy Johnson, CMC
City Clerk

August 25, 2014

The DVD labeled August 25, 2014 contains the audio and video of this meeting and will be kept as a permanent part of these minutes.