

MINUTES
CITY COMMISSION MEETING
July 20, 2015

The City Commission met this date in a budget workshop session. 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
	:	Joe Morgan
	:	Clark (Tom) Browning, IV
City Clerk	:	Tammy Johnson
Police Chief	:	Joe Hart
Director Public Works	:	James Valandingham
Fire Chief	:	Mark Norris
General Manager VBCS	:	James Butler

Others in attendance: Amber Elledge (camera), Mike Griffith (Bay Beacon)

Budget

Mayor Arnold said this evening we will take a look at the income and our first scrub of the budget. He said on August 3rd at 6 PM we will have another budget meeting to provide the county with a tentative millage rate by August 4th. Mayor Arnold said that once the millage rate is set we could go down but not up. Mayor Arnold said Mrs. Johnson has worked diligently and has a stack of papers to go over.

Mrs. Johnson said this draft budget reflects the current millage rate of 4.524, the budget if it stays just like it would be \$10,915,380. She has provided a history of merit and COLA raises since 2008.

Mrs. Johnson said the draft budget includes 8% increase for employee's health care insurance, 5% for workers compensation and \$.25 increase in the variable water rate. Mrs. Johnson said still to be determined is the final ad valorem tax rate, COLA or merit increases if any.

Mrs. Johnson said using the 95% rule 1 mill would be \$187,593. She said the roll back rate is 4.387, if a 5.5 millage is chosen you would have to be unanimous vote of the Commission with everyone in attendance. Mrs. Johnson said 5.1 or lower would need a two thirds Commission vote, 4.768 or lower would need majority vote of Commission.

General Fund

General Fund

Mrs. Johnson said this budget includes \$85,000 in carry forward funds, \$10,000 specifically marked for the T pier. Mrs. Johnson said there aren't any big changes in revenue. Comm. Strong asked about a decrease in Judgment Fines & Auto, why they were down? Chief Hart said things are down due to the turnover in his agency, don't have the officers trained on radar and the breathalyzer so that causes a drop in DUI's and traffic stops. He said also when people behave and you have a low crime rate, you don't have large fines and forfeitures. Chief Hart said he is in the process of getting people trained and educated so they can get certifications where they can administer those stops.

Mayor Arnold asked Mr. Valandingham if he had any equipment we could auction off. Chief Hart said he has a police car that he needs to get rid of. Mr. Valandingham said he has a rear loader garbage truck, he is looking to get rid of also. Chief Hart said his vehicle is ready to be sold now, all equipment has been removed.

Admin

Administration

Mrs. Johnson said there is a slight increase in wages and benefits. Comm. Hamilton said didn't we attempt to change health insurance providers and the League of Cities negotiated a lower rate so we would go with them and now they are raising that rate again in one year? Mrs. Johnson said she is using 8%, they haven't given her the figures as of yet. Comm. Hamilton said so they haven't told you there are going up yet, do we have flexibility that if they tell us they are going up we can shop around. Comm. Strong said we have been through this time and time again. Comm. Hamilton said last year we saved money by looking. Comm. Strong said he didn't think we looked at anything else, every year we've done that we've never been able to sustain it. Comm. Hamilton said that is why they dropped it last time because they knew we were looking. Comm. Strong said that isn't right, he said he is on the insurance trust board, they arrive at rates based upon experience that they have, we can't threaten them to cause them to get a lower rate, if we get lower rate it is because they've put together a program to have a lower rate. Comm. Hamilton says we could still look, if it is a way to save the residents some money then we should look, because they did drop last year. Comm. Strong said in the past we haven't been able to beat their plan. Mrs. Johnson said the plan we have, they call it a Cadillac plan, low deductibles, we could look at changing that or some other part of it to lower the cost, there are a lot of options. Comm. Hamilton said part of it though is we don't pay as much because we do have such an excellent benefit plan. Comm. Browning said that is one of the reasons people keep working for us. Comm. Strong said we could pay less but we will lose some of the benefits, he said this type of benefit is what we've had forever. Comm. Hamilton said it is unusual that we give financial incentive to employees that don't have our health care, when they don't use our health care it isn't like they take that money and apply to another policy it is because they have military coverage or something like that. She feels like that is something that should be looked at whether it is wise to continue. Mrs. Johnson said if you did not continue that employees would take the insurance. Comm. Hamilton said

that would be fine, they would have to pay copay on that. Mrs. Johnson said there is no copay for employee coverage, just for the family, but they would probably just take it on themselves which is about \$750 a month when currently those people are receiving about \$260 a month. Mrs. Johnson said if they got on the insurance it would cost the city \$750 a month for them versus the \$260 they are being paid. Comm. Hamilton said it doesn't seem fair to her that people with military insurance are getting a bonus, it is unusual. Comm. Hamilton said it is just a point of interest. Mrs. Johnson said the city pays 50% of family coverage and the employee pays the other 50%. Comm. Hamilton said she thinks our benefits are great, and that is what keeps employees because our pay isn't super high. Mrs. Johnson said that Chief Hart has told her some of the new people aren't as interested in the benefits. Comm. Browning said as time goes by that will change. Mrs. Johnson said she is asking for one capital item \$3,000 for a Server this wouldn't be necessary if Communications is allowed to hire IT person.

Library

Library

Mrs. Johnson said wages and benefits have changed slightly, significant O/M changes are to books and publications from \$15,000 to \$20,000. She said there are a couple of capital items for \$10,300 would be carpeting for the library and the community room.

Police

Police

Mrs. Johnson said wages and benefits are increased because last year we did not budget for a full staff with benefits for the entire year. Chief Hart said he would like to add a couple of caveats to vehicle maintenance and the fuel line items will depend on what the Commission decides for this year's budget. He also said he didn't ask in capital expenses for the new computer install because he thinks he can get that money from this year's budget, when the install is complete.

Fire

Fire

Mrs. Johnson said wages and benefits didn't change much, on the capital side asking for put \$50,000 to be placed in reserve for a new fire truck.

Parks

Parks

Mrs. Johnson said they have a healthy capital item list for \$420,000, everything else pretty much the same. Mr. Valandingham said he is hopeful for some grant funds. The T-pier has the carry forward funds of \$10,000, Mr. Valandingham said the T-pier repair is the most significant item to him.

Shop

Shop

Mrs. Johnson said wages and benefits increased a small amount, O/M is the same, capital \$100,000 for a new bucket truck, and a shed for equipment that doesn't have a specific amount. Mr. Valandingham said they will use the DOC labor at no cost. Comm. Morgan asked why is a bucket truck under shop? Mr. Valandingham said that is where the current one exists. Mrs. Johnson said the one they have now was given to them by the communications department. Comm. Morgan said he feels it should be distributed over all the funds by percentages of use. Mr. Valandingham said it would need to be distributed over streets, parks, building and grounds.

Cemetery

Ceme-
tery

Mrs. Johnson said not much of a change requesting \$250,000 in capital upgrades. Comm. Strong asked what type upgrades? Mr. Valandingham said that predates him back to when Comm. Johnson was over the cemetery. Comm. Hamilton added concepts for the mausoleum. Mr. Valandingham said he just keeps putting it out there in case someone wants to give money to the cemetery, there is a plan in place.

Non- Departmental

Non
Depart-
mental

Mrs. Johnson said wages down a little removing the O/M \$75,000 loan to utility fund so that's why expenses are lower. Mrs. Johnson said \$2,000 carpeting the community room would be split between this department and the library, \$5,000 for networking all city computers. Mayor Arnold said we are almost \$900,000 in the hole. Mrs. Johnson said \$866,500 is the total for all capital items.

Stormwater

Storm-
water

Mrs. Johnson said wages and benefits stay about the same. Mr. Valandingham said the existing street sweeper is six years old wearing out, could sell but that is second on the list. Comm. Morgan truthfully we need to get rid of it before sand erodes the sides of it and we can't sell it at all, we could sell with some value now and get right type that Mr. Valandingham wants. Mrs. Johnson said portion of street sweeper is in this department and other portion is in streets. Also on the capital list is \$150,000 for drainage.

Streets

Streets

Mrs. Johnson said there is a decrease in revenue since the fuel tax revenue is down. She said wages and benefits are about same, O/M expenses are increased slightly, capital items are for an asphalt roller, street resurfacing and main cost of a street sweeper for a total of \$490,000. Mr. Valandingham said the total cost of the street sweeper is \$185,000. He is looking at either payments or a lease option. Mr. Valandingham said an asphalt roller is needed to do small jobs that we haven't been able to get contractors to do. Mr. Valandingham said we have the capability, talent and manpower we just need the roller. He said the roller we have is very small hasn't worked since he got here what we can get is a two ton steel drum double lavatory roller that will allow us to properly do our intersections wouldn't include street surfacing. Mrs. Johnson said under revenue carry forward \$40,000.

Utilities

Mrs. Johnson said carry forward for specific items and money from reserves equals \$220,000. Mr. Valandingham said carry forward includes a loan from general fund which is specifically for manhole rehab in Plat I we were hoping to get additional grant money that we didn't get so now plan is to attack it all in one year. Mrs. Johnson said in the water department looking at increasing the variable water rate not the base rate. Mr. Valandingham said that comes from two things we want to build a reserve rather than always take from it and we had a mandated rate study which was done by Florida Rural Water and their recommendations fell in line with what Mrs. Johnson, talked about. Mrs. Johnson said wages and benefits have gone down a small amount.

Mrs. Johnson said in the wastewater department wages and benefits increased a little. She said regional plant operation going down this year. Mrs. Johnson said revenue and O & M expense shows balanced budget.

Mrs. Johnson said total capital items \$2,094,500, Comm. Strong said he and Mr. Valandingham have to sit down and look for grants and come back and see what we can do.

Communications

Mrs. Johnson said revenue increased and wages & benefits increased last year we budgeted single insurance for an employee who actually took family coverage. Mayor Arnold stated there is a large increase in the revenue lines for cable service and internet service. Mrs. Johnson said this budget does not include any rate increases. Mrs. Johnson said the largest increase in expenses is the cost of the internet this is due to obtaining extra speed (bandwidth). Mrs. Johnson answering Comm. Hamilton said the pole attachment revenue is listed on the financials but not showing on the budget workshop paperwork. Mrs. Johnson said communications has a balanced budget even with their capital item of an IT employee with benefits \$40,000 coming from cable and \$15,000 coming from other departments. Mr. Butler answering the Mayor said we have a tentative job description, not a full job description, this person will be covering the headend, digital equipment, internet as well as IT for city as a whole connecting all departments together with one network. He would be responsible to maintain that network, this would be fulltime position. Comm. Strong said Mr. Butler and Mrs. Johnson have briefed every department head on what this position could do, against what they are getting now looks like a big payoff for all departments. Mrs. Johnson said currently the administration and police department contract an individual to do IT support sometimes he just isn't available for us and it makes it difficult. Mr. Butler answering Comm. Hamilton said he hasn't come up with list of certifications but generally familiar if not certified in various Cisco network type fields. Comm. Hamilton said better be certified if it's by Cisco just some general knowledge wouldn't work. Mr. Butler said I have general knowledge of Cisco. Comm. Browning said you can't afford a certified Cisco tech for that price. Mrs. Johnson said the budget includes putting \$20,000 in reserve for five years for a new bucket truck.

Sanitation

Mrs. Johnson said this budget is pretty cut and dry. Mr. Valandingham said he increased Vehicle Repair & Maintenance from \$20,000 to \$30,000 due to increase in vehicle maintenance. Capital includes \$50,000 for truck replacement reserve.

Mayor Arnold said the first cut of budget in capital items not operating will be August 3rd try to pear those numbers down and set a tentative millage rate.

Adjourn

There being no further business to be brought before the Commission, the meeting adjourned at 7:00 PM.

John B. Arnold, Jr.
Mayor

Heyward H. Strong, Jr.
Chair, VCA

ATTEST:

Tammy Johnson, CMC
City Clerk

July 20, 2015

The DVD labeled July 20, 2015 contains the audio and video of this meeting and will be kept as a permanent part of these minutes.