

CITY OF MACCLENNY
FIRST BUDGET WORKSHOP
August 20, 2013
6:00 p.m.

The City Commission met in special session, Tuesday, August 20, 2013 with the following present: Mayor Gary Dopson, City Manager Phil Rhoden and Commissioners Floyd V. Bennett, Mark Bryant and Richard Johnson. Commissioner Tommy Johns was absent.

Mayor Dopson called the budget workshop to order. Commissioner Bennett opened the meeting with prayer, followed by a pledge to the United States Flag.

Mayor Dopson acknowledged Lynne Walker, Executive Director of the Macclenny Housing Authority. Ms. Walker presented a letter requesting the Council to consider reducing the percentage of PILOT taxes paid by housing authority from ten percent to three percent. During her presentation Ms. Walker stated her concern over budget cuts and their potential effect on her overall budget. She stated the buildings need new roofs and other repairs and she does not have the money to make all the needed repairs. Ms. Walker said she understands the City also has a tight budget and asked for the Council to at least consider a reduction to five percent if at all possible which would change the amount due to the City from eight or nine thousand to around four or five thousand dollars. Mayor Dopson outlined for the Council the amounts the City would receive at the different percentage rates, if a reduction was granted. He asked Ms. Walker if her request was for a one year period only. Ms. Walker said she would like to see the reduction granted for the 2014 and 2015 budget and then see where we are at that point. Mayor Dopson said we would consider her request as we do our due diligence through the budget process.

Sheriff Dobson presented his budget request information. Sheriff Dobson's original budget request included an increase of \$10,951 in personal services and \$9,043 in operating expenses for a total of \$19,994. The total budget request including capital outlay is \$736,719 compared to \$716,725 for the 2013 budget. Sheriff Dobson said due to a reduction in insurance costs he is submitting a reduction of \$3,600 which will make the total request \$733,119. Sheriff Dobson explained the increase is primarily due to increase contribution rates in retirement. He stated forty-six percent of the calls responded to are in the city and said the amount paid by the city last year represented seventeen percent of his total budget of \$4,215,000. The Sheriff discussed the importance of public safety and also discussed the reduction in the crime rate in our county. Sheriff Dopson said two road deputies are stationed in the city limits at all times along with drug investigators as needed. Mayor Dopson explained to the audience how this agreement with Sheriff began some thirty-years ago for approximately \$130,000 annually. The Mayor said this was for increase police protection in the city and explained that city residents pay county taxes and city taxes. There was further discussion regarding the tightness of the budget and the City's commitment to do the best they can with the funds available. There was no further discussion on the Sheriff's budget.

Commissioner Bennett addressed the audience and those in attendance with a budget request and said he is not sure what we are going to end up with when the budget process is complete. He asked them to keep in mind if a change is made which is lower, in the thirty years he has been on the Council this is the tightest budget ever and that we will do our best with the funds available.

Darryl Register with the Chamber of Commerce was present requesting an increase from \$19,500 to \$30,000 for a five year commitment to a new program called Choose Baker. He explained the five year commitment is needed to allow him to hire a full time person to handle economic development. Mr. Register said he would like to have a five year commitment but since this joint venture is eighty percent private funding, if the Commission is only able to commit to one year at a time that would be acceptable. Shane Adams presented a slide show outlining the projected impact of this five year plan with regard to jobs and tax revenue and all the benefits to the county. There was further discussion of the plan and the benefits. Mayor Dopson said there is no doubt the plan looks good and since we are essentially the only corridor west along Interstate 10 for development if you stay in

Florida. Mayor Dopson said he asked Manager Rhoden to include in the budget presented tonight an increase of \$5,500 for a total contribution of \$25,000. He stated as a single Mayor and with new Commissioners coming on the board he does not feel it is fair to commit to a five-year pledge unless it was something like a sewer system or fire station project. Mayor Dopson said it would be extremely unfair to commit to a five-year plan and feels if we do this it should be on a yearly basis. He informed the Council the decision of whether to increase this by \$5,500 the \$10,500 requested or not at all was theirs, he was simply making a suggestion for budget workshop purposes.

Mayor Dopson congratulated Melissa Thompson for her hard work on the budget and said he looked very hard and was unable to find any addition errors. Mayor Dopson reviewed the general fund revenue and asked Manager Rhoden and Ms. Thompson for clarification regarding some increases proposed and also some decreases. Most of the increases were amounts projected by the state according to Ms. Thompson and it appears most of last year's projections by the state were accurate. Ms. Thompson advised the Council this year's budget is based on 3.6000 millage rate which will bring in an additional \$10,000. There was discussion regarding the continued decline in the electrical franchise fee amounts due to increased energy efficiency by the electrical companies which reduce the bills and the overall franchise amounts. Ms. Thompson said she has discussed the reduction with Dave Cobb with FPL and he indicated with continued energy cost reductions he projects the fees to continue to decline. The City also will receive less money back from the State of Florida in fuel tax refunds because we are purchasing less fuel due to contracting the solid waste collection service out. Mayor Dopson pointed out the \$130,000 transfer in from the Utility Fund to help balance the General Fund Budget. There were questions from the audience on the transfer and Ms. Thompson explained the process of showing and expense on the water and sewer accounts for the full amount and then that amount being transferred to the general fund as revenue. Manger Rhoden explained many of the costs associated with the utility operations are being paid out of the general fund, such as utility payment collection, billing and payroll. Utility and Rental Fund Revenues was reviewed with no comments or questions.

Ms. Thompson said this year's budget also includes a 16.3 percent increase in the health insurance cost as well as increases to retirement cost as follows:

Florida Retirement System:	From	To
Regular Class	5.18%	6.95%
Management Class	6.30%	18.31%
Elected Class	10.23%	33.03%
DROP	5.44%	12.84%
Firemen's Pension Fund	From	To
Rate	22.80%	33.82%

Mayor Dopson reviewed the budget for each department page by page. The Commissioners budget reflects an increase in retirement which was noted, with no other areas of discussion.

The City Manager's budget was discussed and it was noted the increase in health insurance reflects the projected cost for Manger Rhoden and spousal coverage. Gerald Dopson was not on the city's insurance plan, he was covered under Medicare. Manager Rhoden stated he is not currently on the city's plan but is covered under his wife's plan with the state and will remain there until she retires which could be as early as January 2014, which is why we included this cost in the budget.

The Office budget was reviewed and it was noted that all requests were funded at the same amount as last year with the exception of the Chamber of Commerce which was increased by \$5,500. Mayor Dopson said we removed two agencies, one of them went out of business and the other one never requested their funds. He mentioned again the need for the Council to think about the increase to the Chamber and make a decision about it for the next meeting. He also stated the increase in the salary area is due to moving an employee from the building department to the office department and stated a reduced salary line will be noted in the building budget.

The City Attorney's budget was reviewed with no comments or questions.

The Law Enforcement budget was reviewed and Mayor Dopson said in prior years we would budget for the full \$30,000 of capital outlay and we would pay what we had in impact fees and the remainder would be paid out of the general fund. However, this year we are only paying what is available in the impact fee account and no more. There was discussion about how the capital outlay started and how many vehicles it paid for. Mayor Dopson also discussed how the city residents pay county taxes and really don't receive many services for those taxes other than rescue services. He said then we pay additional money for police protection. Mayor Dopson said people are always complaining about how much money the city pays the county and what little benefit we receive for our taxes. He said as budgets get tighter and we begin to look at areas where we can cut services this may be one of those areas. He said we have always done our best to fund the request but it is getting harder and harder to do so and maintain the city's infrastructure. Mayor Dopson said this budget document has kept funding at the same level as last year and reduced the capital outlay to only the amount collected by impact fees. He said there was some discussion about splitting the increase in the retirement which was \$10,711 so half would be around \$5,356. So this is something we need to think about and decide for the next meeting what we want to fund him at.

The Fire Department budget was reviewed. Mayor Dopson said we are looking at coming up with a plan over the next couple of years which will allow us to pay what is necessary to get the firefighters into the Florida Retirement System so all employees will be in the same system. He also pointed out the \$108,100 in the professional services area is the cost of getting the plans for the new fire station which are needed for the grant. Ms. Thompson stated this money will come from the remaining money we set aside to purchase solid waste equipment, which is no longer needed since we contracted with Advanced Disposal. Mayor Dopson asked Chief Dugger about the vehicles and the amounts for repairs which are listed and seem to be the same each year. He expressed the concern of it appearing as if we are just padding the budget and wanted to know if there is a way to determine what has been spent on each vehicle. Chief Dugger explained the average age of his fleet is 18.33 years old and he is trying to budget what he thinks the cost of repairs might be. He also explained unexpected costs and repairs which couldn't be anticipated. Chief Dugger said there are tests and certifications which are done to some vehicles every year which do cost the same amount each year. Commissioner Bennett also asked questions regarding the figures in the books and publications area being duplicated each year. Chief Dugger explained these purchases need to be made each year as the code is updated annually and certification and training classes require books to be purchased each year, they cannot be reused. There was further discussion about tracking and mechanisms which can be put in place to allow details to be added to the reports for the Council.

In reviewing the Building Department budget, Mayor Dopson mentioned the movement of one employee to the office department. There were no further questions or comments.

There were no questions or comments on the public safety budget.

The Solid Waste budget was reviewed and Mayor Dopson asked how many employees were in this department. Manger Rhoden said there are three employees here. Mayor Dopson pointed out the \$367,200 in other contractual services which is for Advanced Disposal. He also mentioned the cost of the air curtain burner site cost and said Manger Rhoden and Roger Yarborough are going to meet with the County Manager about seeing if the cost can be better split based on usage.

The Street department was reviewed with little comment. Mayor Dopson mentioned the \$13,000 in the budget for Christmas Lights and said some might not like this but we have to decide if we want to still light the city and put on the Christmas Parade that people love so much. Chief Dugger stated next year's budget should be able to be cut in half since last year and this upcoming budget year he will have replaced all of the items and hopes to only have to replace lights next year. He feels certain the amount will be able to be reduced next year. Mayor Dopson made note of the street paving loan which was paid off and said we need to start making a list and start making plans to secure another loan soon to do some additional paving which is needed.

The Recreation Department was reviewed, Mayor Dopson indicated in the Heritage Park area we are saving money by having a contracted employee there. Manager Rhoden said the lady we have there is doing an outstanding job. He said she has scheduled several events and her last event she raised almost \$4,000.

The Information Services budget was reviewed. Mayor Dopson mentioned the equipment listed to be replaced and asked that we make sure things really needed to be replaced. Dennis Collins asked about the increase in the salary line. Manager Rhoden said this was a merit increase which was approved by the prior City Manager.

The Water Department budget was reviewed with no questions or comments.

The Sewer Department was reviewed. There was some concern expressed regarding the reduction of the emergency repairs line to \$30,000. Mayor Dopson said all we can do is hope and pray it is enough and if not we would have to dip into the contingency.

There were no questions or comments on the Rental Budget.

The Utility Capital Improvement Budget was reviewed; Mayor Dopson pointed out the \$550,000 budgeted to purchase the land for the bio solids site.

There are not grants so the Special Revenue Budget is zero. The Impact Fee budget was reviewed with no questions.

Mayor Dopson reviewed the first page of the budget which reflects a contingency of \$129,341 compared to \$233,685 from last year. He said the budget is extremely tight and we will have to watch it close to stay within it. He suggested the Council review the budget especially the Chamber's request, the Sheriff's budget and the request from Lynne Walker with Macclenny Housing Authority and be ready to make decisions at our next workshop. There was discussion about dates and it was decided we would have our next budget workshop on Monday, September 9th at 5:00 p.m. prior to our regular meeting at 6 p.m.

With no further business to come before the board, the meeting was adjourned.


MAYOR GARY DOPSON

ATTEST: 
CITY MANAGER/ CLERK Phil Rhoden

