

CITY OF MACCLENNY
Regular Meeting
July 12, 2016
6:00 p.m.

The City Commission met in a regular session, Tuesday, July 12, 2016 with the following present: Mayor Gary Dopson, City Manager Phil Rhoden, City Attorney Frank Maloney, Commissioners Sam Kitching, Cecil Horne Jr., and Danny Norton and Council Secretary Deanna Dinkins. Commissioner Mark Bryant was absent.

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

New Business:

Greg Lyons, of Lyons and Lyons, CPA presented the 2014-2015 audit. Mr. Lyons stated the reports are getting thicker due to the recent Government Accounting Standards Board (GASB) standards that require additional reporting. Mayor Dopson asked if the additional requirements provide us with a more efficient system or more helpful information. Mr. Lyons replied it is not more efficient, as the requirements of reporting have become much greater. This began back when GASB 34 was implemented, and there have been many changes since then. There is concern across the nation regarding municipalities trying to meet pension obligations and that is why GASB 68 was implemented. The report is not easier to read, but there are reporting requirements that must be followed. Mayor Dopson asked he felt like these requirements helped the auditors discover any more discrepancies than before. Mr. Lyons explained the GASB standards are our reporting standards and the auditors help us implement them. The auditing standards, as governed by Generally Accepted Governmental Auditing Standards (GAGAS), have not materially changed, and that is what the auditors follow in conducting the audit. Mayor Dopson stated if we are not doing something properly we want to know so we can correct it, but it's frustrating to have additional costs and regulations with no additional benefit. He went on to say that he is not blaming the auditors, as they are simply doing what is required.

Mr. Lyons stated the City of Macclenny received an unmodified opinion (clean report) and noted there is an emphasis of matters paragraph in the report this year as a result of GASB Statement Nos. 68 and 71. He briefly explained the Management's Discussion and Analysis (MD&A), the financial statements, notes to the financial statements, and the reports required by the GASB and the Auditor General. One important item was noted on page 9, the Statement of Net Position. This shows the City has a positive Total Net Position; a lot of entities across the nation have a negative net position as a result of the potential liability of the pension obligations. Mr. Lyons went over the two findings listed on pages 58 and 59. He stated both have been consistently seen with the City as with most small entities due to limited number of personnel. The first finding is regarding not having enough personnel to adequately segregate duties. The second finding is required because the auditors had to assist with the preparation of the financial statements. Neither of these findings will likely be eliminated due to the limited number of personnel, but he applauded City staff for making adjusting entries. Mr. Lyons thanked the City Manager and City staff for working with them. He continued by thanking the Board and stated if there are ever any questions to contact his office. Commissioner Norton asked why a larger staff would be better than a smaller staff. Mr. Lyons explained there are certain responsibilities that should be separated in order to have better controls in place. Commissioner Norton asked what would substantiate audit concerns. Mr. Lyons replied the Florida Auditor General has certain criteria that determine financial emergency conditions such as exceeding the budget, continued deteriorating Fund Balance, investments, failure to timely pay payroll taxes, etc. Clay Lyons added auditors utilize a database that allows them to compare current financial statement items to those of prior years in order to see the trend and determine if there is either a deteriorating financial condition or state of financial emergency. Mayor Dopson noted several years ago a recommendation was made regarding proper tracking of fixed assets and asked if this has been corrected. Mr. Lyons reported that a system was implemented and City staff now handle the tracking. Commissioner Kitching made the motion to accept the audit as presented and was seconded by Commissioner Norton. Voting was unanimous.

Manager Rhoden asked the Board to table awarding the bid for paving of Jonathan Street for the SCOP Grant. The timeframe was shortened in hopes of having the paving completed before school starts, and in doing so we may not have received the number of bids we hoped to. \$132,000 was allocated for construction, and the two bids that came in were much higher than that. We thought we could do reengineering value and assume some of the roles such as putting the lime rock down and cutting the driveways, but this is not allowable on a Department of Transportation

funded project. This will have to be bid again after we modify it, based on some recommendations from our consultant, Freddy Bennett. Given more time to respond, we hope to receive more bids. For now Manager Rhoden asks that we table this item. There was discussion regarding the streets that have been paved and the possible timelines for paving Jonathan Street.

The next item for discussion was TRIM. Mayor Dopson explained the current millage rate is 3.6 and has been in that range for twenty plus years. He went on to say this Board is committed to not raising the tax millage rate. However, for TRIM the rate set tonight can be decreased but cannot be increased. He wanted to make it very clear that a higher rate will likely be set tonight as a safety net, but the intention is to keep the actual rate as close to 3.6 as possible. Melissa Thompson addressed the board by explaining the TRIM process. Commissioner Kitching asked Mrs. Thompson if she thought setting the rate at 4.0 will cover the needs. Mrs. Thompson replied that she thinks 3.6 will cover it. Manager Rhoden added that we will present a budget based on 3.6, but the prudent thing to do is to set the rate at 4.0 as a safety net. Commissioner Kitching made the motion to set the TRIM rate at 4.0 and was seconded by Commissioner Horne. Voting was unanimous.

Darryl Register presented the Choose Baker Economic Initiative Update. Mr. Register began by reporting none of the three projects he discussed last time chose to relocate to Baker County. He then discussed four projects currently interested in relocating to Baker County. Commissioner Norton asked if the projects would require water and sewer. Mr. Register replied most of them would require water and sewer based on the number of employees they will have.

Mr. Register discussed the Chamber's involvement with Jax USA Partnership, a seven county economic development group based out of the Jacksonville Chamber. The Jacksonville Chamber has several employees who assist with research and data for potential businesses looking to relocate to our area. North Florida Economic Development Partnership is another group the Chamber is heavily involved with, which is a fifteen-county group of rural counties who have a contractual relationship with a group in Tallahassee that provides support to the Chamber as well as deliver leads for projects and prospects. Mr. Register discussed some of the activities and plans of the partnership.

In other business was the approval of the minutes. The following minutes were submitted for approval:

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Commissioner Kitching made the motion to approve the minutes and was seconded by Commissioner Horne. Voting was unanimous.

In other business was the review of the bills for June. Commissioner Norton asked about the \$10,000 front end repair on the sludge truck. Manager Rhoden replied the truck is several years old and is necessary not only to haul sludge, but is also used for many other uses such as emergency and regular maintenance pump outs. A new truck would be at least \$80,000, and we think we can extend the life another ten years with the repairs that were made. We have done a projected plan with the engineers, and it will initially cost approximately \$125,000 to change the way we dispose sludge, but should save about \$13,000 annually. Mayor Dopson asked for clarification regarding the Tracking ID for the Hagan Ace payment. Mrs. Thompson explained it applied to only the last line item of the payment. Mayor Dopson noted the expenditures for engineering services and stated we have a lot going on right now but also wants us to keep a close eye on the expenditures. He asked whose responsibility this would be. Manager Rhoden stated it would be his responsibility and that he has already discussed the SCOP Grant changes with Kellen Lindsey of Mittauer and Associates. Mr. Lindsey told Manager Rhoden there would not be additional costs associated with rewriting the grant. Mayor Dopson then asked about the costs associated with the CSX gravity sewer emergency relocations. Manager Rhoden replied this depends on the response from CSX; if they reject the proposal then additional services will be required. Commissioner Norton asked about the mosquito spraying provided by an outside company. Manager Rhoden explained in the past we were paying an employee overtime to spray and it became problematic for him to continue. After weighing the costs of overtime, retirement, etc. we determined it was cost effective to contract it out. Commissioner Kitching made a motion to approve the bills and was seconded by Commissioner Norton. Voting was unanimous.

Comments from the Board:

Commissioner Norton asked when the CSX gravity sewer relocation would begin. Manager Rhoden responded we have submitted the proposal to CSX and are awaiting response.

Commissioner Horne asked if any of the roads will have to be shut down. Manager Rhoden stated we will have to shift lanes of traffic.

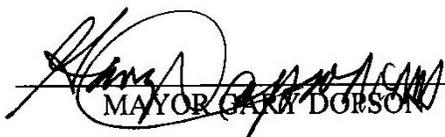
Commissioner Norton commended Darrell Register on the Independence Day celebration. He asked if the event could start an hour later next year due to the heat. Mr. Register replied the only problem would be the movie in the park would then end around midnight.

Manager Rhoden read an e-mail from Sonja Peterson- Lewis regarding the Department of Environmental Protection's approval of Florida Power and Light's (FPL) Duval-to-Raven Road high voltage transmission line plan (see attached). He added that he has received other e-mails and phone calls and he has forwarded the contact information to representatives at FPL. Manager Rhoden stated he told Ms. Peterson-Lewis he would participate in the walk through with her and FPL but she did not contact him. We saw the meeting advertised in the Press and Mike Griffis attended the meeting that was held at the Ag Center. There was no one there to speak against the proposal. Manager Rhoden has been in contact with our FPL representative, Jeff Simmons, who has offered to send their engineer out to anyone who has concerns. If the board is in agreement, Manager Rhoden will forward Ms. Peterson-Lewis's e-mail to FPL tomorrow. There was discussion regarding the environmental concerns and Mayor Dopson agreed that the e-mail should be sent to FPL. Betty Brown from the audience asked if the City did any investigating before approving the lines. Manager Rhoden stated they attended the hearings and were given the same data the public saw but did not hire an expert. Mayor Dopson stated he did not think the City had any control as to where the transmission lines went in as that was up to the Public Service Commission and FPL. Manager Rhoden added that Department of Environmental Protection (DEP) is the governing body that oversees this. There was further discussion regarding the route of the new lines and the existing lines. Mayor Dopson added when he first became part of the commission, the services (streets, street lights, water, sewer, and sidewalks) in that part of the City were substandard compared to all other areas. Utilizing grants, we have worked hard to bring that part up to the same standards as the rest of the city. Manager Rhoden added FPL has been helpful in adding lighting to the area as well. Lynward Bones from the audience stated he received the letter from FPL. He responded and an FPL representative checked their home and everything was fine. Mr. Bones said he was told very few people responded to the notices that were sent. Nazarene McKinney from the audience asked why a study has not been performed regarding the health effects of living near power lines. Mayor Dopson stated a study began five or six years ago that will follow families twenty five to thirty years, starting with base line information and trying to determine whether illnesses are related to certain things. Clay Lyons stated he thought the funding was terminated.

Darrell Register thanked the city staff for their assistance with the Independence Day celebration. Manager Rhoden thanked the Chamber for coordinating the event. Commissioner Norton asked Mr. Register if he shares his contact list with Heritage Park. Mr. Register stated he and Ms. Hodges do share vendor contact information.

With no further comments from the audience, Mayor Dopson adjourned the regular meeting.




MAYOR CARY DOPSON

ATTEST:


CITY MANAGER/ CLERK PHIL RHODEN