

COMMISSION WORKSHOP

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Mayor Nugent called the first budget workshop to order to discuss the Enterprise Fund. Present were Commissioner Tommy Chastain, Commissioner Travis Woods, Commissioner Carolyn B. Spooner, Commissioner Wilbur Waters, Deputy Clerk Brenda Wiggins, City Manager Tom Ernharth, Finance Director Alica McMillian.

Mayor Nugent turned the workshop over to Mr. Ernharth.

Mr. Ernharth discussed the first draft of the Enterprise Fund Budget. Current Revenues and Expenses; updated the current revenues and expenses to May of 2016.

On the electric rates, FMPA anticipates the city will not have an increase in their electric consumption in 2017.

Commissioner Chastain asked what the inventory adjustment is; Ms. McMillian responded it is the adjustments made at the end of the year.

The Florida Rural Water Audit recommended no increase in our water rates. Commissioner Chastain added Rural Water in the past recommended a 5% each year.

Mr. Ernharth responded he would like to do a base rate increase as well as usage in the sewer. He would like to scale back off the water with the increases he will propose in sewer.

Hydrant Replacement Grant - \$125,000 was included for the hydrant replacement project through a grant from the SRWMD.

Sewer Rates - The Florida Rural Water Audit recommended a 25.32% increase in our sewer rates. As with our similar audit, I am going to stretch this increase out over a three year period. However we should consider an increase to the consumption charges and not just the base rates. With the extent of work that is needed we need generate addition income for sewer.

SRF Funding – The \$835,936 in SRF Funding has been added to the budget to evaluate the sewer system.

Commissioner Chastain asked this is a Grant but we are paying 30 to 40 percent of it. Should the \$835,986 be a different number?

Mr. Ernharth responded the payback will not begin until budget year 2018.

Gas rates current gas rates could be increased as we have \$516,000 in proposed revenues and \$484,918 in expenses especially if we comply with the PSC recommendation to add a third employee to the Department and there are much needed updates to the system which need to be done.

The additional employees I believe that we need to consider the addition of three employees with one for the Public Works Department, Gas Department and Water and Wastewater Department. Increases in demands and responsibilities have driven the need for these additional employees.

The total revenue for the utility system is 12,458,286.

Interest on long term debt with the 2015 refinancing our 2017 interest payment is approximately \$19,000.

2015 bond refinancing with the 2015 bond refinancing our payment is \$445,000 in 2017.

He made a new line item of amortization of debt for the 2015 bond with the payments of \$445,000 with a \$19,000 interest payment.

With the changes to the General Fund; contribution to the general fund is \$527,223 budgeted and we currently have it listed as \$455,264. This does not include raises but at best we would not show an increase over last years amount.

Line item working capital, if the numbers and addition are correct it is figured we could put aside \$1,000,000 in savings. This is in part of the savings in the bond refinancing.

He will need to place figures for the meter readers overtime.

Salary and payroll taxes there are no salary increases included within the budget. I would like to review any increases in August after we completed preliminary review of the entire budget.

Life and health insurance expense preliminary estimates are that our life and health insurance could increase by 8%.

The general employee retirement fund; the City's contribution to the Employee's Retirement Fund is 49.7%.

Right of Way Vegetation Control we included \$25,000 to trim our right of ways. This was left out of the 2016 budget. We placed funds in the capital outlay to purchase a new mower for cutting right away and to purchase a new van for one of the inmate squads.

On page 25 line 42932 93206 Infrastructure improvements \$155,000 is the amount for expenses of the SRF grant.

The capital project amount for \$100,000 is to purchase a dump truck and back hoe for the line locates.

Sewer BCR Accounts have not changed the two (2) accounts for BCR. Hopefully, we will have some direction by our August Budget Meeting.

The Sewer Sludge Disposal; after our experience this year, I increased the sludge disposal budget from \$10,000 to \$40,000.

The Sewer Capital Outlay is \$100,000 for pump station upgrades.

Commissioner Chastain asked if monies should be included for a truck to haul the sludge to the sprayfield?

Under Employee Physicals he include monies for a Hep B shot to protect our employees who handle potential toxic wastes.

Commissioner Chastain stated since people cross train all employees should get the shot.

The Gas Capital Outlay includes \$15,000 for a replacement service truck. The funds are in the budget this year and they are looking for the truck so this could go away if they find one within this budget.

Purchasing capital outlay includes \$4,000 for security cameras at the yard.

The total revenues are \$12,458,286 and total expenses \$12,131,026 for a surplus \$327,260.

He requested to hire three new employees, one in wastewater and public water; one in the gas department due to the Public Service Commission recommended; one in public works.

He ask the commission to consider a part time engineer. During the first 8 months of the 2016 Budget year, the City has spent \$270,000 on engineering specifically to Mittauer. To reduce this impact, I would like for the City to consider hiring a part time engineer that would allocate a minimum of 20 hours per week at \$90 per hour plus benefits for city work. I believe that we can significantly reduce this cost by two-thirds simply by making this change.

He provided the changes of the General Fund from the meeting in June.

Local Option 1% Sales Tax – Reflects the state estimate of \$589,279.

Zoning Fees have been increased from \$5,000 to \$10,000.

Local Government Half Cent Sales Tax revenue estimate was posted with a distribution of \$294,062.

Municipal Revenue Sharing – Was set at the State estimate of \$136,753.

Fire Grant – Included \$70,000 for a grant for a new fire truck.

Badcock Demolition Grant - Added \$200,000 for grant to remove asbestos, demolish the building and install bathrooms.

Contribution to USRF – The Contribution is currently at \$455,264.

Recyclable Revenue – Set at \$500.

Badcock Development – Increased to \$200,000 to match the anticipated grant funding.

Telephone – Added \$1,500 to cover the 311 Service to the Code Enforcement budget for a total of \$15,500.

Police Legal and Professional Fees - \$10,000 was added to the Law Enforcement Budget.

Fire Radio Maintenance - \$2,500 was included. Fire Uniforms – was increased from \$2,500 to \$6,000.

Fire Fighting Supplies – was increased from \$12,000 to \$60,000 to cover the purchase of air packs who's warranty are scheduled to expire.

Park and Recreation – Added \$24,000 for land acquisition and security cameras at Edwards Road Recreation Area. The funds for the land acquisition are for additional parking.

Transportation Trust; Local Option Gas Tax – Set at \$224,291 which is the revenue estimate.

Deputy Clerk ask the amount budgeted for the 311 service for Code Enforcement; is the \$1,500 for the installation? Mr. Ernharth responded yes. She asks what was the monthly cost? Mr. Ernharth didn't remember the monthly cost.

The \$60,000 is being carried over for BCR software.

Mayor Nugent asked if any additional information needed to be brought in front of the workshop; hearing none he closed the workshop.

Daniel Nugent, Mayor
Commissioner Tommy Chastain
Commissioner Carolyn B. Spooner
Commissioner Wilbur L. Waters
Commissioner Travis V. Woods

Attest: _____
Ricky Thompson, City Clerk