

City Commission Budget Workshop
June 12, 2018
6:00 pm

Members present included Mayor Mortimer, Commissioner Chastain, Commissioner Nugent, Commissioner Waters and Commissioner Woods. Also present were John-Paul Ledford CPA, City Manager Bob Milner and City Attorney Dan Sikes. City Clerk Ricky Thompson was absent due to medical reasons.

Mayor Mortimer called the workshop to order at 6:00 pm and turned the workshop over to Mr. Milner and Mr. Ledford. Mr. Milner presented the 2017-2018 Fiscal Year Budget Update. He said expenses and revenues are doing well two-thirds of the way through the fiscal year. Mr. Milner said there is a slight change in the format of the budget because of an upgrade to the Munis System. Mr. Ledford said the new format is consolidated and more user-friendly. Mayor Mortimer asked if we are now on the current version of Munis. Mr. Ledford said we are. Mr. Ledford said we are at 58.6% on electric revenue and 50.2% on expenses. We are at 63.9% on water revenues and 43.1% on expenses. We are at 62.3% on sewer revenue and 60.3% on expenses. We are at 74.1% on gas revenues and 66.2% on expenses. Purchasing is at 55.1% for expenses and operating transfer is at 66.7% for expenses. Our general fund is at 63.2% for revenue and 56.5% for expenses. Our transportation revenue is at 74.3% and expenses are at 37.8%. Mr. Ledford said the chart on the bottom left shows what our actual sales are to-date. He said we should be at 66.6% so we are doing well on water, sewer and gas. Electric should increase in the coming months because the highest electric usage is in the summer. Mr. Ledford pulled out the police and fire departments because they are the major departments. The police department is at 61.0% for expenses and the fire department is at 72.7% which is inflated because of the purchase of the new fire truck. Mr. Milner said there are two issues with the gas. We have an issue with the meters. Florida Gas Transmission has a meter and we have a meter. One measures in dekatherms and one measures in cubic feet. We have been selling more gas than we purchase for months. Florida Gas Utilities installed a brand-new meter on their side. Our meter was reworked for \$2,000 and we have every reason to believe it is accurate. Mayor Mortimer asked if the difference is because the meters use different measures. Mr. Milner said both Florida Gas Transmission and Florida Gas Utilities said it is not. We have to answer to the Public Service Commission regarding the difference. Commissioner Chastain asked for clarification because the workshop is supposed to be on the 2018-2019 enterprise fund. Mr. Milner said he and Mr. Ledford planned to meet last week on the 2018-2019 budget but due to illness and jury duty that didn't happen. They need direction from the commissioners on raises, base rates, late fees and ad valorem before they can prepare the 2018-2019 budget. Commissioner Chastain said he understands and suggested moving forward with the 2017-2018 budget update. Mayor Mortimer asked if the 2018-2019 budget would be available at their next workshop. Mr. Milner asked the commissioners to provide any specifics for the general and the enterprise fund they would like addressed in the 2018-2019 budget. Mayor Mortimer would like to increase the gas price so the budget is not reflecting a loss. Commissioner Woods asked if the meters had been calibrated. Mr. Milner said both meters

have been calibrated. Commissioner Chastain asked about the right of way vegetation and the capital outlay on page 4. He is assuming this is for the substation but none of the funds have been spent. Commissioner Chastain asked if it would be best for these funds to be encumbered so they don't have to be budgeted for in the 2018-2019 budget. Mr. Ledford said they could be restricted. Commissioner Chastain asked about rents on page 7. He thought the rent had been increased. Mr. Ledford said it had increased but the increase was not reflected in the budget because it was done at the last minute. He said it should be \$60,000 per year instead of \$36,000. Commissioner Chastain asked about the spray field lease. The lease gave a one-year grace period to establish the business but the lease should be being paid by now. Mr. Milner said he is giving this to Attorney Sikes. Mayor Mortimer asked what city property is being rented out. Mr. Ledford said it is the City Manager paying rent for his office at city hall. It is coming from the utility side to the general side. Mr. Ledford said we have a building fund that has over \$300,000 in it. Mayor Mortimer asked if that money could be used to make city owned buildings Americans with Disabilities Act compliant. Mr. Milner said he would be bringing a recommendation to the commissioners concerning ADA compliance. Commissioner Waters said he remembers the money being for a specific use. Mr. Ledford said the city has a lot of bank accounts and some of them are not being utilized. He is working with Mr. Thompson to determine when bank accounts were created and what their purpose was. Mr. Ledford said the building fund probably could be used for ADA compliance. Mayor Mortimer asked about the FEMA expenditures on page 7. Mr. Ledford said it is money that is eligible to be reimbursed by FEMA. Mr. Milner said all paperwork for Hurricane Irma has been submitted. Commissioner Waters said this is money that we may not get back. Mr. Milner said we are approved at the 75% level to receive reimbursement. Mayor Mortimer asked if the \$154,289 is the 75% we are expecting to be reimbursed. Mr. Ledford said it represents expenditures that went through purchasing for Hurricane Irma related items. He said there were more FEMA related expenditures throughout the budget. Commissioner Chastain asked about infrastructure improvement and capital projects of almost \$200,000 on page 11. Mr. Milner said they are looking at generators for both the fire department and city hall. We need them now with hurricane season approaching. Mr. Milner said some of it could be used for ADA compliance. Commissioner Chastain asked when Mr. Milner was going to put the generator purchases into motion. Mr. Milner said he has bids now. Mr. Milner said we are going to need to spend some of the money on water issues. He said we had water pressure issues today and the Starke Dialysis Center had to shut down. Mr. Milner said they had adequate water pressure going into the building but the dialysis center has a double step-down process. Commissioner Waters said the water pressure issues are caused by all the two-inch water pipe in the city. He said until the pipes are replaced with larger ones we will continue to have problems. Mr. Milner said Mittauer & Associates has looked into the problems and suggested we create a looped water system. He said it is possible we may need an additional well. Commissioner Woods said we need to change out the water lines and anticipate growth. Commissioner Chastain asked about Shop with a Cop on page 24. Shop with a Cop was over in December and to date zero dollars have been used. Mr. Ledford said he will look into the issue. Commissioner Chastain said Bradford County Dispatch is around \$90,000 but the line item shows \$75,000. Mr. Ledford said they were charging the difference to the fire department. Mayor Mortimer asked about life and health insurance for the commissioners on page 21. Mr. Milner said the commissioners are

eligible for health insurance. Mr. Ledford said the city pays for \$15,000 in life insurance for the commissioners. Commissioner Chastain asked about the capital outlay for the fire truck on page 25. Mr. Ledford said we locked in the rate on the fire truck but the purchase order was done in a separate year so it makes it a negative number. He has a call into Munis to correct it. Commissioner Chastain asked about the Capital City fire truck. Mr. Ledford said that is the payment for the fire truck and it has been paid so it will reflect that on the next update. Commissioner Waters asked about page 23. There is \$5,000 for Main Street, \$5,000 for Communities in Schools and \$1,000 for Downtown Merchants. There is nothing for Concerned Citizens of Bradford County. Commissioner Waters asked to have a line item in the budget for them in the 2018-2019 budget. Mr. Milner said he would be asking the commissioners for their input on these outside interest groups at the next budget workshop. Commissioner Woods asked Mr. Milner to check into the legalities of donations before the next meeting. Attorney Sikes said the issue is if you can make a donation to one group, why can't you make a donation to another group. This can lead to alleged discrimination. Commissioner Chastain asked to return to page 25. He asked if the \$43,975 in overtime is for fire services outside of the city. Mr. Milner said it is possible that some of that was earned for fire services for Bradford County. Attorney Sikes said the terms of the Mutual Aid Agreement define whether or not we can ask for reimbursement from the county. Commissioner Woods said the new fire truck probably only gets a mile to a gallon of gas. He also said that most of the calls the fire department responds to involve people receiving Medicare or Medicaid. Commissioner Woods said we should be able to bill Medicare or Medicaid. Mayor Mortimer asked how long our Mutual Aid Agreement is in effect. Mr. Milner said he and Mr. Sikes will look into it tomorrow. Mr. Milner said the county is aware of how many times the city responds to county emergencies and that we are not getting paid for them. Mr. Milner said by law we cannot bill the individual being responded to in an emergency. He does not know if we can bill the county. Mayor Mortimer wants to know how often the fire department responds to call outside the city limits and how many hours of overtime we paid for them. Commissioner Nugent suggested that the county could do away with the dispatch fee we pay them in exchange for our fire services. Mr. Milner said that is an excellent point. Commissioner Waters asked if part of the overtime was because of Hurricane Irma. Mr. Milner said it should not be because it was all in the previous fiscal year. Mr. Ledford said holiday overtime is factored into it. Commissioner Chastain said the police department put in for a grant for new police cars and a generator. He asked when the car loans for the oldest cars we purchased will be paid off. Mr. Ledford will look into it but he believes the payoffs will start in 2019. Commissioner Chastain said we might want to postpone the purchase of new police cars until the next fiscal year since it was not budgeted for. Mayor Mortimer asked where the representative from the police department is. Commissioner Waters said probably at the firing range because they have qualifying for their new firearms. Commissioner Chastain asked Mr. Ledford if the commissioners could get another budget through the end of July in August. Mr. Ledford said they could. Commissioner Chastain asked for a budget update every month. Mayor Mortimer said Mr. Milner and Mr. Ledford have asked for anything the commissioners want included in the next budget. Mayor Mortimer would like to see an increase in the charge for gas. Commissioner Chastain said on the budget update the water revenue is \$5,186,331 and the sewer revenue is 1,286,195. Sewer charges are based on water usage so he asked why there is such a big difference in the revenues. Mr. Ledford thinks

the water rates are too low. Mr. Ledford asked the commissioners for a recommendation on raises. Raises affect payroll tax and retirement contributions. Commissioner Nugent wants to start putting money aside for emergency items. Mr. Milner said there is a workshop on the personnel manual before the July Commission Meetings. He said Megan Richardson will be at the July 10, 2018 meeting to discuss alternatives to pay increases. Mr. Milner said there is a 42,000,000 gallon per year difference between water we took out of the wells and water we sell. He said they are replacing old meters to try to minimize the difference. Commissioner Waters said flushing fire hydrants is part of the difference. Commissioner Woods would like to give as much of a raise to the employees as the budget can afford. He wants to hear from Mrs. Richardson at the July 10, 2018 Workshop. Commissioner Chastain asked Mr. Milner if he had heard from the Florida Municipal Power Association regarding the projections for our consumption. Mr. Milner said he has not. Commissioner Chastain asked Mr. Milner to follow up on this. Mr. Milner said he would. Mr. Milner asked to set a date for the next budget workshop. Mr. Milner suggested meeting on July 12, 2018. Mayor Mortimer suggested deciding on the workshop date at the June 19, 2018 Commission Meeting.

There being no further business, the meeting was adjourned at 7:12 pm.