

Commission Workshop
September 19, 2017
5:30 pm

Minutes of September 19, 2017 Starke City Commission Workshop

This was the third budget workshop. Members present: Mayor Tommy Chastain, Commissioner Mortimer, Commissioner Nugent and Commissioner Woods. Also present were Interim City Attorney John Cooper, Accountant John-Paul Ledford, Finance Director Alicia McMillian, City Manager Bob Milner, City Clerk Ricky Thompson, Police Major Barry Warren and Fire Chief Gary Wise. Commissioner Waters was in the hospital.

Mayor Chastain called the meeting to order at 5:36 pm. Commissioner Nugent was running late due to work. Mayor Chastain stated that the city is a utility business therefore we need a Utility Director. Mr. Milner stated that after our last workshop Mr. Ledford researched possible ways to increase revenues. The previous budget's utility revenues were very conservative. Mr. Ledford increased the electric revenues by \$150,000.00 and the gas revenues by \$50,000.00. We had a cash carry forward of \$180,409.00 while last year we had \$150,000.00. If we increase the water revenue by 5% the customers would only have to pay around \$1.00 more per month. Commissioner Nugent asked if the increase would be in compliance with the auditors. Mr. Thompson stated that the increase would be through the auditor Water Rate Study. Mr. Ledford stated that a 5% increase for water would increase residential revenues by about \$21,000.00 and commercial revenues by about \$10,500.00. If we increase sewer base charges by 8.5% we could increase residential revenues by about \$61,000.00 and commercial revenues by about \$33,000.00. Mayor Chastain asked about the \$800,000.00 transfer from the General Fund and why it was \$400,000.00 last year. Mr. Ledford stated that the 2016/2017 budget had a \$200,000.00 grant for removal of the Badcock building and a \$70,000.00 grant for the new fire truck. Commissioner Mortimer asked where the extra money was allocated. Mr. Ledford stated that it is in police department and fire department salaries. Mayor Chastain asked if we took a major hit somewhere. Mr. Thompson stated that our liability insurance increased by almost 40%. Commissioner Woods asked if the \$140,000.00 per year salary for the Utility Director was in the budget. Mr. Ledford stated that it was closer to \$120,000.00 and that it was included in the Utility Budget. Commissioner Woods stated that he did not believe we need a Utility Director so that money might not be spent. Mayor Chastain pointed out that the Utility Director salary was in the Enterprise Fund not in the General Fund. Commissioner Woods mentioned the \$1.00 per hour raise across the board for city workers. Mr. Ledford stated that the \$1.00 per hour raise would come at a cost of \$200,000.00 with a 3% increase for the commissioners. Commissioner Mortimer asked what it would cost to give everyone a 3% raise instead of \$1.00 per hour. Mr. Ledford stated that the 3% raise would cost the city less money. Commissioner Nugent asked how it would affect the fire department. Mr. Ledford stated that fire department is contracted to get a \$1.00 per hour raise. Commissioner Mortimer suggested looking into giving a higher raise to the employees who are on the lower end of the pay scale next year. The other commissioners were in agreement. Mayor Chastain mentioned adding advertising on Highway 301 to the budget to draw people to the downtown area. He also

suggested purchasing a walk behind vacuum cleaner for the new parking lot. Mr. Ledford mentioned that a possible way to increase revenue is by adding a fire assessment fee. He also pointed out that we will receive money from FEMA in the wake of hurricane Irma that could help offset costs. Mayor Chastain asked for a breakdown of the \$800,000.00 that is slated to be transferred from the General Fund. Commissioner Mortimer stated that we only have so much time to get this done. Mr. Ledford stated that we have an extension but it expires on October 6th. Commissioner Mortimer asked Attorney Cooper what the procedure is to vote on the budget. Attorney Cooper stated that we have a public hearing tonight. We will then have a second public hearing. We need a motion, a second and a majority vote. We won't be voting to approve the budget until the final hearing. Mr. Milner stated that we need a new line truck. Mayor Chastain would like to have a workshop on bringing the budget back to the City Clerk's side. Commissioner Nugent asked why Mayor Chastain would like to move the budget to the City Clerk's side. Mayor Chastain stated that this one was done on the clerk's side. Mr. Thompson stated that it would require an ordinance to move it.

There being no further business, the meeting was adjourned at 6:11 pm.