

MINUTES OF THE BUDGET WORKSHOP FOR THE PROPOSED 2012 / 2013 BUDGET MEETING OF THE BOARD OF CITY COMMISSIONERS FOR THE CITY OF PORT ST. JOE FLORIDA, HELD IN THE COMMISSION CHAMBER AT CITY HALL, August 21, 2012, AT 5:00 P.M.

The following were present: Mayor Magidson, Commissioners Buzzett, McCroan and Kennedy. City Manager Jim Anderson, Attorney Tom Gibson, City Clerk Charlotte Pierce, Financial Analyst Mike Lacour, Chief David Barnes, Public Works Director John Grantland and Wastewater Treatment Supervisor Lynn Todd. Commissioner Patterson was absent for medical reasons.

The purpose of the meeting was to review and discuss the proposed FY 2012 / 2013 Budget.

Cathy Colbert, President, Friends of the Library thanked the Commission for including the Library in the City Budget for FY 2012 – 2013. Mrs. Colbert shared how computers in the Library are being used more by citizens to fill out applications for employment, unemployment, and food stamps. The Library also offers free Wi-Fi access. A free workshop will be offered soon to teach citizens how to download E-books.

Mr. Anderson indicated that future surplus computers may be available to the library. Mrs. Colbert thanked the Board for the offer.

Mr. Anderson reviewed the budget and asked for input from the Commission. He stressed that the projected figures will be a very tight budget.

AD Tax – The proposed budget for the General Fund is \$57,132 in the black using the roll back rate. The current millage rate is 3.5914. The difference between the Roll Back Rate and the current Millage rate is approximately \$72,000. The Roll Back rate is 3.7804. If the Roll Back Rate is removed, an additional \$15,000 would have to be cut from the budget. Property Insurance rates are still unknown.

Commissioner Buzzett shared his concerns about the possibility of an increase in the water and sewer rates, the AD Tax and a 2% COLA to employees. He did not feel that any new hires should be made until there is a better understanding of where the budget numbers will be.

John Grantland stated his need for a new hire in the Water and also the Sewer Department. He feels that the work load has increased in both departments and assistance will be needed for the flushing program as well as the increased maintenance calls for grinder pumps.

Overtime in the Water and Sewer Departments continues to be an issue and has exceeded the budgeted amount for the current year. Options for reducing these costs will be reviewed.

Commissioner Kennedy stated that he did not feel that you should be responsible for call outs and also flushing because flushing is a planned event.

Mike Lacour asked, "Am I hearing that the general consensus would be to try to get back to our current millage and find the additional \$15,000 and hold the budget with the current one employee in Water and one in Wastewater?"

The Mayor shared that was kind of where he was leaning. Commissioner Buzzett was saying one employee and not two and that we will be very tight on our budget to find the \$15,000 and we will not have any breathing room.

The Contingency Cash Balance was discussed and appears to be in good shape. Department heads will be cautioned to watch their fund balances.

Property insurance rates are being adjusted due to inventory no longer in use and new equipment being added for the Headworks and Sprayfield.

Mayor Magidson is not in favor of raising the AD Tax rate and supports keeping the millage rate the same as it is now because of the anticipated increase in water rates. He also favors reducing the debt service.

The status of the Debt Service was discussed. Phase I Water is included in the current budget. Accrual for the Headworks debt will begin the last two months of this budget. Phase II, at a cost of \$1,973,000 is in the current budget. \$110,000 in new Debt Service for Water Distribution Phase I and \$75,000 for Headworks will also be included. Total for all Debt Service is approximately \$1,100,000 a year.

Munis upgrades were reviewed. Currently, \$18,000 is budgeted for Munis and for an additional \$10,000 the upgrades and offsite storage capacity would be available.

Millage for the upcoming year was discussed again and the consensus was to try to cut an additional \$15,000 from the Contingency Fund.

The current On Call Policy was provided to Commissioners for review and will be discussed at the September 4, 2012, Meeting. Mr. Anderson explained the current issues with the policy and suggested making some modifications that can be reviewed in six months. If improvements have not been made, he suggested looking at other measures to correct the expenditures.

Mayor Magidson adjourned the Workshop at 5:56 P.M.

Approved this 4th day of September 2012.



Mel C. Magidson, Jr., Mayor



Charlotte M. Pierce, City Clerk