

MINUTES
CITY COMMISSION MEETING

July 24, 2023

The City Commission met this date for a budget workshop in the Commission Chambers. A quorum being present, the meeting was called to order at 6:00 PM with the following in attendance.

Mayor	:	Hubert B. Smith
Commissioners	:	Christine Wasdin
	:	Edward Crosby
	:	Kay Hamilton
	:	Clark (Tom) Browning
City Clerk	:	Tammy Johnson
Police Chief	:	Joe Hart
Fire Chief	:	Tommy Mayville
Public Works Director:		Nathan Kelley (camera)
VBCS General Mgr:		James Butler
Library Director	:	Hope Willis
Recorder	:	Beth Millsaps

Others in Attendance: (Not Inclusive) Bob Bachelor (Chair of the Planning Commission), Matthew Webster, Kelly Irwin, Tara Sandlin

Mayor Smith called the meeting to order at approximately 6:00 PM.

GENERAL FUND

Mrs. Johnson said the first page is the draft budget summary. Going over the revenues, she said not all of the numbers from the State of Florida have been sent in but will have by the end of the month. Mrs. Johnson said we have some carry forward, but we do have a quarter of the year left so those numbers are not exact. She has not put in anything for the Community Center, needs to get with Mr. Palmer on that issue. Also, does not have anything in for the ARPA fund.

Mrs. Johnson has prepared the draft budget for FY2024. Total draft budget for 2024 is \$10,856,846. Last year's budget total \$13,728,940. The General Fund keeping the milage rate at 5.024% has a difference of \$737,080. Stormwater, Streets, and the Sanitation fund all have deficits. The total of all the funds along with wages, benefits, reserves, O & M expenditures and new O & M capital items totals a difference of \$1,022,640.

Mrs. Johnson said the City Commission adopted a policy to have three months' worth of operating reserves to cover the operation of the General Fund activities. A

1 review of reserve balance is performed on an annual basis, for this budget it would
2 equate to approximately \$1,326,900.

3 Mrs. Johnson has the reserve balance totals for each fund listed. She said this
4 budget includes 5.024% ad valorem tax rate, 7% health insurance increase, 50%
5 increase for property and liability insurance and 2% merit and a 3% COLA. Comm.
6 Wasdin asked what the ARPA funds have been used for. Mrs. Johnson said it has paid
7 for the new fire truck, lining the sewer lines and generators for the cable department.

8 Mrs. Johnson said the property and liability insurance has gone up about 50%,
9 everything in the State of Florida has gone up. Comm. Hamilton said that seems like a
10 lot and asked if we had looked elsewhere. Mrs. Johnson said no we have not looked
11 elsewhere as prices have increased in all insurances, look at how much your
12 homeowner's insurance has increased. Mrs. Johnson said with the policy we have that
13 includes replacement cost.

14 Mrs. Johnson said still to be determined is the final ad valorem tax rate, set
15 budget hearing dates. A decision also needs to be made for the final COLA.

16 Mrs. Johnson has prepared a history of the budget year and final milage rate
17 going back to fiscal year 1998 when final milage was 2.75% up until fiscal year 2023
18 when milage rate was 5.024%. She said we have been at the 5.024% rate since fiscal
19 year 2016.

20 Mrs. Johnson has included in this budget a chart on the milage rate. Fiscal year
21 2022 1 mill was equal to \$334,558 in this coming fiscal year 2023 1 mill will equal
22 \$379,251. She said the roll back rate is 4.68% and would require a majority vote. The
23 current rate of 5.024% up to 5.2942% would require a 2/3s vote. Anything above 5.3%
24 will require a unanimous vote of the Commission to approve.

25 Mrs. Johnson said carry forward of \$400,000 and \$248,500 along with \$5,000
26 from reserves. She said the FWC Boating access grant of \$350,000 is included, if the
27 job is done by the end of the year that line will go out. Total of General Fund revenues
28 \$5,213,020.

29 **ADMINISTRATION**

1 Mrs. Johnson said the payroll expenses have increased, an employee changed the
2 type of insurance coverage they had from the previous year. Total payroll expenses
3 \$516,750, total expenses \$41,000. O and M expenses are \$557,750. The only capital
4 item is office furniture from last year, so the carry forward is \$10,000, total
5 administration expenses \$567,750.

6 **LIBRARY**

7 Mrs. Johnson said the payroll has increased a bit, an overall decrease in O & M.
8 The capital items requested for the new fiscal year, LED lights and three way switch for
9 Room 3 \$2,500 and industrial outdoor bench \$1,500 for a total capital of \$4,000. Total
10 library expenses are \$401,300. Mrs. Johnson said Mrs. Willis, the library director, is in
11 attendance should the Commission have any questions.

12 **POLICE DEPARTMENT**

13 Mrs. Johnson said there has been an increase in payroll, some due to the change
14 in the way we now calculate overtime wages. Total Police O & M expenses
15 \$1,813,350 She said the police department is requesting BOLO wrap \$9,000 to use
16 carry forward, one full time police officer with benefits and one full time police
17 officer/communication operator with benefits \$77,000 each. Chief Hart said he wanted
18 to hire a police officer that he could cross train as a dispatcher also. He said with the
19 addition of these two hires that would bring the amount of his overtime wages down and
20 allow him the luxury of two officers around the clock. Chief Hart said with the skeleton
21 crew he has now there is only one officer on a shift at times, which is a liability waiting
22 to happen. Chief Hart said bolo wraps shoot out, incapacitated an offender, he has sent
23 an officer to school to train with this equipment, said the sheriff's department has
24 implemented this, another good alternative to a non-lethal weapon. He said the carry
25 forward would come from the money that he has had in the budget for two years waiting
26 for the camera equipment to go on the end of the barrels, since that has not been able to
27 be done, he would like to use the money for the bolos.

28 **FIRE DEPARTMENT**

1 Mrs. Johnson said there has been an increase in wages. She asked about the
2 volunteer line item each year is in budget for \$25,000, it has not been used in several
3 years thought it might be better used elsewhere. Chief Mayville said \$10,000 for the
4 volunteers and \$15,000 toward other employees. Chief Mayville would like to keep
5 \$10,000 as benefit to go to college, for people living in Valparaiso who want to go to
6 fire college. Mrs. Johnson said as far as volunteers we have not had any in quite some
7 time, we would pay them a stipend for calls and that has not been done in some time.
8 Chief Mayville said we have about five, keep the money tightly managed. Mrs. Johnson
9 said every month we transfer \$200 into the volunteer bank account, that account at one
10 time was used for dinners at meetings, do we need to continue that transfer? Chief
11 Mayville said yes, he would like to keep it there. Mrs. Johnson said this money is a
12 separate bank account, this account was managed by the volunteer treasurer when we
13 had that position. Comm. Hamilton asked how much money was in that account? Mrs.
14 Johnson said around \$6,000. Mrs. Johnson said a few changes to the O&M fund. Total
15 capital items \$171,000. Mrs. Johnson said that would be \$78,000 full time fire fighter,
16 building extension for \$75,000, paramedic training \$6,000, new radios \$10,000 and
17 washer & dryer \$2,000.

18 Chief Mayville said with the building extension have a separate area for a decon
19 room after fires, that way they would not be tracking any of those toxins in the living
20 area. Chief Mayville said they would like to tie into manhole, work in phases, use the
21 \$75,000 to see how far it would get us. Chief Hart asked can you get a shell for
22 \$75,000. Chief Mayville said they would like to do as much as they can. He has
23 several builders, plumbers and such that are also fire fighters.

24 **PARKS**

25 Mrs. Johnson said there is an increase in life and health insurance due to
26 employees changing health coverage. Comm. Hamilton said \$4,000 for the little league,
27 she has talked to that gentleman several times and we are not subsidizing the little
28 league. She wants to see what they can do on their own, does not feel anything should
29 be in our budget. Mayor Smith said the school board owns that property and they have

1 a contract with the little league. Comm. Hamilton said what they want is for us to
2 donate water and electricity, however there is no way to control usage and she does not
3 think we should. Comm. Hamilton said her recommendation would be to discuss
4 donating X amount of dollars, and not get involved. Mrs. Johnson said it is similar to
5 the Heritage Museum, we pay for their electricity and water, and we also donate money
6 to their events. Mrs. Johnson said at this time we are paying for the electricity and the
7 water, she called the school board to give it to them and they said no they were not
8 paying. Suggested contacting the little league, Mrs. Johnson said when she was finally
9 able to reach them, he said they could not pay. Mrs. Johnson asked what do you want
10 me to do, turn them off? Comm. Hamilton said yes, and Mayor Smith agreed. Mayor
11 Smith said he had talked to Bill Smith, Okaloosa County Schools, he said the little
12 league was supposed to replace the roof on the dugouts for years and still have not done,
13 the school board is not going to pay. Comm. Hamilton said we should not be
14 responsible. Mrs. Johnson asked do you want me to cut the water and electricity?
15 Comm. Browning said electricity but not water. Com. Wasdin said in the scheme of
16 things this does not appear to be a lot of money. A brief discussion followed.

17 Mrs. Johnson said capital items, \$15,000 for Doolittle Parks pulling \$5,000 from
18 reserves. She said this is something that Mr. Scott wants to do, suppose to submit a
19 write up for it and she has not seen anything. Mr. Kelley said \$50,000 would be to
20 convert tennis courts to pickleball courts. He said this would take place at Marion
21 Ruckel Park, resurfacing making the courts tennis and pickle ball and also resurface the
22 basketball court. Mayor Smith asked about restroom facilities. Mr. Kelley said we can
23 get a quote to add restrooms, right now the nearest would be located at T J Brooks Park.
24 Comm. Wasdin said she has complaints about Florida Park, due to the wetlands could
25 we get a sign that states that part of the area is wetlands? Mayor Smith said it is a water
26 tributary and nothing can be done. Comm. Browning said a little bit of sand, Mayor
27 Smith said no. He called about two years to see if we could add some sand and was told
28 by the DEP if one shovel of sand is placed the city would be fined.

29 **SHOP**

1 Mrs. Johnson said there has been an increase in wages, this department is short
2 handed right now. Comm. Hamilton asked about the prison work squad. Mr. Kelley
3 said he has budgeted for the Department of Corrections work squad in high hopes and
4 anticipation. Comm. Hamilton said we have not had since COVID. Mr. Kelley said he
5 is aware, we have sent our people for training and still nothing. Mayor Smith said he
6 talked to the warden, and they are shorthanded. Mr. Kelley said we have been waiting
7 since January. Comm. Hamilton said she had seen a squad working at one time in
8 Niceville. Mr. Kelley said he remains hopeful but does not know what else we can do.
9 Mrs. Johnson said they are not asking for any capital items this year for this department.

10 Ms. Tara Sandlin, 223 Chicago Avenue, asked if there was an address that the
11 city could send a 30 day letter to in regard to the little league before just shutting off the
12 water and electricity. Mrs. Johnson said do not know who to send it to. She said for us
13 it would be the little league itself, but we do not have a contract from them the school
14 board does but if we send to them, they will not do anything. Mayor Smith said he
15 knows that Mr. Bill Smith will not do anything, he would say to turn it off.

16 **CEMETERY**

17 Mrs. Johnson said not a lot of changes in the payroll or the O & M expenses and
18 they do not request any capital items.

19 **NON-DEPARTMENTAL**

20 Mrs. Johnson said the engineering services had increased this year for obvious
21 reasons. Mrs. Johnson said she had asked Mr. Scott about the cost of the remodel on the
22 new city hall and he said \$200,000. Mrs. Johnson said we should get the bill in soon for
23 the demolition. Mrs. Johnson said the six capital items Commissioners office furniture,
24 Commission Chambers furniture, video equipment, remodel, office signage and
25 building signage all expenses can be carried forward for a total of \$229,500.

26 **COMMUNITY CENTER**

27 Mrs. Johnson said she would have to contact Mr. Palmer to see where they are.
28 Mayor Smith asked to call Mr. Huff and Mr. Byrne about their donations, they donated
29 last year and said they would again, has anyone talked to them? Mrs. Johnson said no.

1 **ARPA**

2 Mrs. Johnson said we have \$700,000 to spend or we will have to send it back.
3 Comm. Wasdin asked if any of the funds could be spent on the capital items and
4 projects. Mrs. Johnson said she would consult Jordan and Associates to see what might
5 be able to work.

6 **HALF CENT SALES TAX**

7 Mrs. Johnson said some of the money had been used for streets resurfacing and
8 will be used for that, the remainder will go into reserves.

9 Comm. Hamilton said while we are working on the budget, we need to keep in
10 mind that we have been discussing a city manager position, need to have money
11 available for the position if we go forward. Mrs. Johnson said she could add but would
12 need to know how much. Comm. Wasdin said \$100,000 even. Mrs. Johnson said plus
13 benefits or with benefits? Comm. Hamilton said she spoke with the City of Crestview,
14 they recently hired for the position paying between \$100,000 to \$115,000. She said we
15 need the central oversight. Comm. Wasdin said if Mr. Scott retires there is no one to take
16 over his many hats. Or if Mrs. Johnson retires. Mrs. Johnson said no one in
17 administration could take her place right now. Mayor Smith said no, because no one
18 else lives in the city. Mrs. Johnson said we also need to look at what we are doing
19 design wise for the new city hall so everyone has a place. Mrs. Johnson said she could
20 add to the budget. Mrs. Johnson said that would bring the difference to the general fund
21 to around \$847,000.

22 **STORMWATER**

23 Mrs. Johnson said almost everything the same we do have a deficit of \$63,325.
24 We do have money in reserves we could use.

25 **STREETS**

26 Comm. Wasdin asked if Mr. Vanzant, with Jordan and Associates, has something
27 about receiving more money from the community development block grant. Mr. Kelley
28 said the CDBG funding, things are extremely far behind. He said they decided to do a
29 base bid with added alternatives, we have some stormwater and street improvements in

1 the base bid. Mr. Kelley said some engineering has been completed, sent out as part of
2 the bid, once the bids come back, we can dissect a little more closely. Mrs. Johnson
3 said no capital is requested; this fund is short \$132,350.

4 **UTILITY FUND**

5 Mrs. Johnson said slight increase in payroll, O&M expenses, wastewater
6 expenses. Mayor Smith asked about the study that was done to improve the water
7 pressure in his area. Mr. Bob Bachelor, 154 Grandview Avenue and chair of the
8 Planning Commission, said the Planning Commission had given the Commission a list
9 of 18 projects earlier this year, which was the primary reason he was here this evening
10 to see what projects had been placed in the budget and so far, only three, maybe. Mr.
11 Bachelor said they had discussed, and he was in favor of individual house pumps for the
12 low water pressure to solve the problem. Mr. Bachelor said Mr. Scott told the Planning
13 Commission that once the city gets their new water tower that would solve the pressure
14 problems. Chief Hart said when Mr. Scott presented the Okaloosa Gas expansion the
15 water tank was in that proposal, he was under the impression Ms. Brant had signed off
16 on that. Mrs. Johnson said the utility fund is requesting no capital items this year and
17 they have a balanced budget of \$1,613,800.

18 **COMMUNICATION FUND**

19 Mrs. Johnson said there is a decrease in the revenue, due to changes in services
20 but if you also note there is a decrease in expenses. That should all even out once the
21 IPTV is in place of the standard cable service. Comm. Hamilton said it would be a little
22 bit of a ride right now but would right itself. Mrs. Johnson said they are requesting two
23 new work vans as capital items for a total of \$65,000. She added that the budget for this
24 fund is also a positive \$56,580 so if that money were applied to the work vans there
25 would be a small deficit of \$8,420.

26 **SANITATION FUND**

27 Mrs. Johnson said there is a deficit of \$81,465 money from carry forward would
28 balance the budget or could use reserves to balance the budget.

1 Mrs. Johnson said the tentative milage would need to be set, reminding everyone
2 that it can go down but once set cannot go up.

3 It was the consensus on the Commission that September 12, 2023, will be the one
4 budget hearing and September 25th will be the final meeting.

5 Comm. Wasdin asked if we would have better numbers from the state soon. Mrs.
6 Johnson said yes. Mrs. Johnson said she could also get with the department heads to see
7 what they might be able to come up as far as carry forward, but we do still have about a
8 quarter of the year left.

9 Mr. Bachelor said we might need to investigate the ARPA funds more closely
10 because when he looked into it, that money had to be used for very specific categories,
11 if not the city would have to repay. Mrs. Johnson said she would contact Mr. Vanzant,
12 with Jordan and Associates, they have been our consultants on these matters.

13 Next budget meeting will be Monday, July 31st at 6PM.

14 **ADJOURN**

15 With no further business before the Commission this evening, the budget
16 workshop adjourned at 7:25 PM.

17
18
19 _____
20 Hubert B. Smith
21 Mayor

22
23 _____
24 Katherine Hamilton
25 Chair, VCA

26
27 _____
28 Tammy Johnson, CMC
29 City Clerk

30 ***A recording of the July 24, 2023, Commission meeting will be kept on the
31 City's secure file server as a permanent part of these minutes.***