

**MINUTES OF THE SPECIAL MEETNG OF THE APALACHICOLA CITY COMMISSION HELD TUESDAY, AUGUST 13, 2019,
5:00 PM AT THE APALACHICOLA COMMUNITY CENTER.**

PRESENT: Mayor Van W. Johnson, Sr.
Commissioner Brenda Ash
Commissioner Jimmy Elliott
Commissioner Anita Grove
Commissioner Mitchell Bartley

Ron Nalley, City Manager
Deborah Guillotte, City Clerk

CALL TO ORDER

Mayor Van Johnson called the meeting to order at 5:00 PM.

AGENDA ADOPTION

Mayor Van Johnson called for a motion to approve the agenda.

Commissioner Brenda Ash made a motion to approve the agenda as presented. Commissioner Jimmy Elliott seconded and the motion carried 5-0.

DISCUSSION OF THE PROPOSED 2019—2020 FISCAL YEAR BUDGET

Mr. Nalley stated that next year, several events will have a significant impact on the shaping of this budget which include: the current state of our national and state economy, the serious financial condition of the City, the default condition of our water and sewer fund, the limited funding availability for capital projects, increased grant management responsibilities, and employee benefit costs. Mr. Nalley reviewed the Governmental Funds, stating the General Fund is the general operating fund of the City and is used to account for all financial resources except those required to be accounted for in another fund. The primary revenue sources are Ad Valorem taxes, State-Shared revenues and Grant revenues. The primary expenditures are for public safety, public works and sanitation, parks and recreation, library and general government services. General Fund revenues budgeted for fiscal year 2019-2020 totals \$4,370,400, which is a decrease over revenue budgeted last fiscal year. The Enterprise Fund is used to account for the City's Water and Sewer Fund and is budgeted at \$2,196,000. Water and Sewer sales accounts for 98% of water and sewer fund revenue. The Sewer Usage Fee is proposed to remain at \$29 for residential and \$95 for commercial customers, however there is proposed a 10% increase in the base water rate charge per 1,000 gallons. Mr. Nalley stated that when calculated, most customers will see only a 5% to 7% increase based on the average 4000 gallon usage. This fiscal year we have budgeted \$199,200 in the water department and \$687,700 in the sewer department for debt service payments. Mr. Nalley reviewed the City revenues: Ad Valorem Property Tax, Local Government Sales Tax, Utilities Franchise Tax, Utility Tax, Sanitation Fees and Fund Balance or Cash Forward. Mr. Nalley reviewed proposed expenses under Personnel which include: a 2% cost of living adjustment for all employees except for the City Manager; one new full-time staffing position in the Planning and Zoning Department and two part-time seasonal positions in Public Works. Mr. Nalley also stated that the Florida Retirement System rate increase has been factored into the proposed budget. Mr. Nalley reviewed expenses for the Governing Board, Administration Department, Planning and Zoning, Police Department, Fire Department, Public Works Department, Library Department, Parks and Recreation Department, Facilities Department, Appropriated Fund Balance or Cash Forward, Water and Sewer Fund, and Community Redevelopment Agency.

Commissioner Anita Grove had concerns about the legal fees for the Florida/Georgia case being taken out of the water and sewer fund and not the general fund. Commissioner Grove would like to see the legal fees combined under one

department. In a response to a question from Commissioner Grove, Mr. Nalley stated that the CRA has not approved their portion of the proposed budget at this time.

Diane Brewer stated that the Recreation Committee will be getting together a CIP request for Mr. Nalley.

In a response to a question from Commissioner Grove, Mr. Nalley reported that the 10% water rate increase would bring in approximately \$100,000 in water fund and approximately \$80,000 for the sewer fund and that these monies will be put back into the treatment plant and other water and sewer projects. In response to a question from Commissioner Elliott, Mr. Nalley stated that he will research to see how many customers use the average of 4000 gallons of water or below and report back.

In a response to a question from Commissioner Ash, Mr. Nalley stated that there will be a comparison showing what has changed from budget meeting to budget meeting.

ADJOURNMENT

With no further business, Commissioner Elliott made a motion to adjourn the meeting at 5:55 pm. Commissioner Ash seconded and the motion carried 5-0.

Van W. Johnson, Sr., Mayor

Deborah Guillotte, City Clerk