

**MINUTES OF THE SPECIAL MEETING OF THE APALACHICOLA CITY COMMISSION
HELD TUESDAY, SEPTEMBER, 11, 2018, 6:00 PM AT THE APALACHICOLA COMMUNITY
CENTER.**

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

Ron Nalley, City Manager
Lee Mathes, Director of Administration
Deborah Guillotte, City Clerk
Janelle Paul, Deputy/Utility Billing Clerk
Bobby Varnes, Chief of Police
Pat Floyd, City Attorney

CALL TO ORDER

Mayor Johnson called the meeting to order and gave the invocation.

PUBLIC HEARING – FISCAL YEAR 2018/2019 BUDGET
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Commissioner Ash made the following statement:

CITY OF APALACHICOLA 2018-2019 FISCAL YEAR BUDGET INFORMATION:

GENERAL FUND: 4,605,800

ENTERPRISE FUND: 2,065,200

TOTAL BUDGET: 6,671,000

PROPOSED MILLAGE RATE: 9.6043

ROLLED BACK RATE: 9.5862

PROPOSED MILLAGE RATE IS A .19% INCREASE OF THE ROLLED BACK RATE

**THE FINAL PUBLIC HEARING AND SPECIAL MEETING FOR FINAL ADOPTION OF THE
2018/2019 FISCAL YEAR BUDGET IS SCHEDULED FOR SEPTEMBER 25, 2018 AT 6:00 PM
AT THE APALACHICOLA COMMUNITY CENTER, #1 BAY AVENUE.**

City Manager Nalley addressed the Mayor and Commission in regards to recommendations for the Sewer Usage Fee increase stating he has looked at an adjustable rate based on usage (i.e. residential rates of \$22/

\$25 / \$29 and commercial rates of \$50 /\$75 / \$95). If the Commission chooses to reduce these fees, the amount collected will pay debt service but not provide enough money needed to pay towards the default.

Mr. Nalley then outlined his plans for additional steps to keep the City's General Fund solvent until November. Three certificates of deposit will be cashed in totaling \$300,000. The City is required to pay off the \$180,000 balance of the line of credit which is tied to the certificates which will leave \$120,000 in cash for the City to use towards its operating expenditures. Mr. Nalley recommended the need to eliminate overtime and non essential expenditures; reduce the health benefits package for employees; dispose of surplus vehicles and equipment; eliminate all non essential travel and training; reduce where feasible services for IT and facility maintenance and combine vehicle use and reduce idling.

Mayor Johnson then opened the floor for Public Comment.

No Public Comments were made at this time.

Commission Comment

In response to a question from Commissioner Bartley, Mr. Nalley explained why combining vehicle usage was an important part of reducing expenditures. For example, a crew responding to a water leak can take one vehicle instead of taking three trucks for the same job.

Commissioner Ash asked if Mr. Nalley was standing by the initial budget proposal for the Sewer Usage Fee. Mr. Nalley responded yes, and that 70% of customers use less than 5,000 gallons a month which will pay debt service, but not provide the money needed to pay towards default leaving the City short by around \$150,000.

In response to a question from Commissioner Ash regarding feedback on the Real Estate Sales, Mr. Nalley said that he has not heard from anyone. Commissioner Ash also asked Mr. Nalley if he is standing by the 13.5% proposed increase to water and sewer rates. Mr. Nalley said yes, based on the previous study by the Florida Rural Water Association.

Commissioner Elliott then asked Mr. Nalley what the take home vehicle policy was in North Carolina. Mr. Nalley said that it varies, but that their policy included a radius and if you lived outside of the radius, you would park the City vehicle and take a private vehicle. Commissioner Elliott then asked Chief Varnes how many cars were operational. Chief Varnes responded that he has seven cars and that officers take their vehicles home. Commissioner Elliott agreed that if an emergency were to arise, the employee would have the vehicle on hand, rather than going to the office first, before going to the emergency.

In a response to a question from Commissioner Grove, Mr. Nalley responded that department heads are on board with the needed reductions, and that there is a realization that this is serious and that they should begin looking for ways to cut expenses.

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Ms. Patsy Hutchins asked why Southern Villas, Heritage Villas and Housing Authority weren't billed or required to pay water and sewer bills. Commissioner Bartley responded that Southern Villas paid the bill for their tenants. Mrs. Janelle Paul answered by saying that customers are metered and billed monthly similar to other customers. Heritage Villas tenants pay their own deposits and receive a monthly bill, the Housing Authority is metered and receives a bill for each unit, while Southern Villas is metered and billed to Royal American. Mayor Johnson then asked Mrs. Paul if they were metered and Mrs. Paul responded yes, each apartment is metered and billed.

Mayor Johnson asked if there were any other questions from the public.

Prince Jones stated that downtown restaurants are bringing their trash to the newly placed dumpster on 5th Street. The Mayor asked Mr. Nalley to review this matter.

Commissioner Ash then stated that she understands their fiduciary responsibility, but would like to see the Sewer Usage Fee based on a usage schedule.

There being no further public comments, the public hearing was closed and the special meeting was opened by Mayor Johnson.

SPECIAL MEETING

Commissioner Ash made the following statement:

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Tentatively Adopt Fiscal Year 2018-2019 Millage Rate – Resolution 2018-09

Mayor Johnson read Resolution 2018-09 by title as follows:

A RESOLUTION OF THE CITY OF APALACHICOLA, FLORIDA LEVYING THE AD VALOREM PROPERTY TAX MILLAGE RATE FOR MUNICIPAL PURPOSES ON ALL TAXABLE PROPERTY WITHIN THE CITY OF THE FISCAL YEAR BEGINNING OCTOBER 1, 2018 AND ENDING SEPTEMBER 30, 2019 STATING THE PERCENTAGE BY WHICH THE MILLAGE RATE TO BE LEVIED EXCEEDS THE ROLLED BACK RATE; AND PROVIDING AN EFFECTIVE DATE.

Commissioner Grove made a motion to tentatively adopt the Fiscal Year 2018-2019 millage rate at 9.6043 mills. Commissioner Ash seconded and the motion carried 5-0.

1ST Reading Ordinance No. 2018-04 – Tentatively Adopt Fiscal Year 2018-2019 Budget

Mayor Johnson read Ordinance 2018-04 by title as follows:

AN ORDINANCE BY THE CITY COMMISSION OF THE CITY OF APALACHICOLA, FLORIDA ADOPTING THE 2018-2019 FISCAL YEAR BUDGET.

Commissioner Grove made a motion to tentatively adopt the FY 2018-2019 budget. Commissioner Elliott seconded and the motion carried 3-2 with Commissioner Bartley and Commissioner Ash voting against the motion.

ADJOURN THE MEETING

With no further business, Mayor Johnson adjourned the meeting at 7:00 PM.

Van W. Johnson, Sr., Mayor

Janelle C. Paul, Deputy Clerk