

MINUTES
CITY COMMISSION MEETING
August 2, 2021

The City Commission met this date for a special meeting and 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
	:	Jay Denney
City Clerk	:	Tammy Johnson
City Attorney	:	Hayward Dykes (by phone)
Police Chief	:	Joe Hart
Fire Chief	:	Tommy Mayville
Library Director	:	Hope Willis
VBCS General Mgr	:	James Butler
Public Works Director:		Nathan Kelley (camera)

Others in Attendance: (Not Inclusive) Job Cobb, Jeff Burns, Robin Helmer, Karl Helmer, Jason Lynch, Howard Cromer

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

1. TOURIST DEVELOPMENT DISTRICT EXPANSION

Mayor Smith said we would start with tourist development district expansion, Mr. Dykes is joining the meeting by phone, Mr. Burns is also in attendance. Mr. Dykes said the city received a copy of Ft. Walton Beach resolution requesting to proposed TDD expansion. Mr. Dykes said basically Ft. Walton Beach is asking the county to postpone the expansion until October. Mr. Dykes said Valparaiso can join in the process if the Commission chooses to do so. Mr. Dykes said Ft. Walton Beach, Crestview, Destin are primaries and Mary Esther is discussing this at their meeting tonight. Valparaiso could be a primary or participant. Mr. Dykes said the difference in the two is as a participant you do not pass a resolution, but you would still have a seat in the room just not at the table. Mr. Dykes said he had spoken with Mayor Smith and Carl Scott, the city administrator, and they seemed to think it would be best for Valparaiso become a participant. Valparaiso would be part of the TDD expansion, Mary Esther and Ft. Walton Beach already belong to the TDD. They are looking to August 18th as first possible meeting for participants. Comm. Denney said Destin has some issues with the process and procedure, Ft. Walton has some issues as does Mary Esther.

Mr. Jeff Burns, City of Destin attorney, said he was here to informally invite Valparaiso to join either as a participant or primary. Mayor Smith said he would prefer the city to be active but not as a primary.

Mr. Burns said Destin has issues regarding voters not being able to vote on expansion that might result in litigation. He said Walton County did their expansion last year and, in his opinion, did it correctly if Okaloosa County does it their way there will be a loss of revenue for the whole county.

Mr. Burns said Destin is going to ask that all cities have a voice on the TDC. Comm. Denney said he agrees with being a participant and not a primary. Comm. Hamilton said in a sense we don't have a dog in the fight. Mr. Burns agreed, not a dog in the fight, but also nothing to lose and everything to gain. Mr. Dykes said the city doesn't need a resolution to be a participant. COMM. HAMILTON MADE A MOTION TO APPROVE THAT VALPARAISO BE A PARTICIPANT IN THE TDD DEVELOPMENT DISTRICT EXPANSION, NOT A PRIMARY. COMM. CROSBY SECONDED THE MOTION, WHICH PASSED BY UNANIMOUS VOTE 5 TO 0.

2. COVID POLICY

Mrs. Johnson said currently Valparaiso doesn't have a COVID policy, the one we had previously was cancelled. Mrs. Johnson has provided a policy that reflects what Bay County Schools are doing. Mrs. Johnson said we could discuss this tonight or at the monthly Commission meeting. Comm. Wasdin said she believes everyone has had the opportunity to get the vaccination. The policy will be discussed further at the monthly Commission meeting.

3. FY22 BUDGET OPERATION & MAINTENANCE AND CAPITAL ITEMS

a. Proposed Mileage Rate

Mrs. Johnson said the first page of the budget shows a summary of the proposed budget with the General Fund having a negative balance of \$187,260 with the ad valorem rate at 6%. Half Cent Discretionary Sales Tax has a balance of \$558,000. She said the Stormwater having a negative balance of approximately \$7,000, Streets having a negative balance of approximately \$50,000, Utility Fund having a negative balance of approximately \$2,000 and CATV Fund balanced, Sanitation having a negative balance of \$53,750. Mrs. Johnson said total draft budget \$9,474,050 last year it was \$10,098,200.

Mrs. Johnson said she is still working with the reserve and carry forward. She said in the general fund carry forward \$250,000 doesn't include the \$500,000 in CARES act. Stormwater has possible carry forward of \$10,000 while Streets has possible carry forward of \$20,000.

Mrs. Johnson said the City Commission years ago had adopted a policy to have 3 months' worth of operating reserves to cover the operation of the General Fund activities. A review of reserve balance is performed on an annual balance. She said for this budget it would equate to approximately \$908,930.

Mrs. Johnson said included in this budget is 6% ad valorem tax rate, 3% health insurance and 10% increase for auto, general liability, property, and workers' comp insurance.

She said still to be determined would be a final ad valorem tax rate, COLA and merit raises and to set budget hearing dates. Mrs. Johnson said the final budget within 15 days after the tentative hearing but cannot be on September 13th that is when the school board meets or September 7th and 21st

1 because that is when the county meets. After a brief discussion it is decided the 1st hearing will be
2 September 14th at 6 PM the final hearing will be September 28th. Mrs. Johnson said to set the final
3 mileage rate, everyone will need to be in attendance.

4 **GENERAL FUND**

5 Mrs. Johnson said this proposed budget contains a carry forward \$42,500 for a police
6 department car that hasn't been received but will be next fiscal year. With the ad valorem tax rate at
7 6% that will provide \$1,686,000, other increases in revenue include our gas franchise fee, municipal
8 revenue sharing, half cent sales tax, while our internal services while cable subscribers have gone
9 down, the internet continues to increase, we also seen an increase in pavilion rental and added a new
10 line item for highway safety crash reports. Total revenue at \$3,993,550.

12 **ADMINISTRATIVE DEPARTMENT**

13 Mrs. Johnson said the wages and benefits have decreased due to employee changes, from last
14 years' \$426,165 to \$407,600. The expenses stayed basically the same, with capital items bring the
15 total expenses to \$484,580.

16 **LIBRARY DEPARTMENT**

17 Mrs. Johnson said the library has also seen a decrease in wages and benefits due to personnel
18 changes \$242,100 to \$220,100. The expenses stayed basically the same, with capital items bring the
19 total expenses to \$375,945.

20 **POLICE DEPARTMENT**

21 Mrs. Johnson said there is an increase in wages and benefits this is due to employees changing
22 health insurance coverage. She said this year there will be two vehicles in the budget. Mrs. Johnson
23 said the total O and M budget would be \$1,393,625, the total of new and capital items \$139,045 for an
24 overall total \$1,532,670.

25 **FIRE DEPARTMENT**

26 Mrs. Johnson said as far as O and M expenses everything is about the same, total O and M
27 \$453,245, capital and new items \$107,700 for a total of \$560,945.

28 **PARKS DEPARTMENT**

29 Mrs. Johnson said life and health insurance has changes due to employees changing insurance
30 options. She said the expenses are about the same, capital items requested total \$32,250 for a total
31 budget of \$347,010.

32 **SHOP DEPARTMENT**

33 Mrs. Johnson said the expenses remained the same, capital items requested total \$25,500 for
34 total budget of \$165,975.

1 **CEMETERY**

2 Mrs. Johnson said decrease wages and benefits due to personnel change, expenses remain about
3 the same, with capital items requested total \$18,350 for total budget \$104,915.

4 **NON-DEPARTMENTAL**

5 Mrs. Johnson said total wage and benefits remain the same. She said there is an increase in
6 consultants and contracts that is for support of our financial software, cemetery software, people that
7 assist us with the software we use daily. She said this budget also includes \$1,000 for license fee, that
8 is for the new cameras, we won't have that expense every year.

9 Total General Fund revenue \$3,993,550, total General Fund carry forward \$42,500, General
10 Fund O and M expenses \$3,635,720 along with capital items \$545,090 leaves a deficit of \$187,260.

11 **HALF CENT SALES**

12 Mrs. Johnson said there aren't any projects there. Comm. Denney said that money should go
13 toward infrastructure, we could place the vehicles toward that money as safety. Comm. Wasdin asked
14 when the Commission would like to sit down and see how to spend this money. Comm. Denney said
15 our engineer is working on a study to show all the pipes and streets. Mrs. Johnson said we have
16 received \$530,000 in Cares Act, we have used some of that but there isn't any restriction on that
17 money. Comm. Denney suggests that the city put this money toward capital items. Comm. Hamilton
18 said we have a great city, that is rapidly changing, we won't have the study from the group about
19 benefits and wages until after October 1st, she thinks we should increase wages across the board, adjust
20 if needed to once we receive the report. Comm. Denney said he believes all of that is in the capital and
21 new items. Mrs. Johnson said she doesn't have information on wage increase for the fire department.
22 Comm. Hamilton said in the public sector minimum is already at \$15. Comm. Denney said this is not
23 necessarily with benefits. Comm. Hamilton said agreed but we need to be forward thinking. Mayor
24 Smith said obviously increase salary but also look at the benefits. Mayor Smith said for our law
25 enforcement officers some cities we are within \$1,000 of but some we are way off, we need to find the
26 balance in the middle. Mayor Smith said we have to bring salaries up, this year in this budget. Mrs.
27 Johnson said we can always put the half cent sales tax money in reserves and adjust as needed.

28 **STORMWATER**

29 Mrs. Johnson said the revenue is about the same, wages are down a bit, percentage of hours are
30 split between streets and stormwater. Total revenue \$49,100, total O and M expenses \$31,600, total
31 capital and new items \$24,450 for a deficit of \$6,950.

32 **STREETS**

33 Mrs. Johnson said revenue is up a bit, little change in wage and benefits, expenses about the
34 same, Total revenue \$375,900, total O and M expenses \$390,425, total capital and new items unknown

1 expenses known \$33,750. Street improvements which the cost is unknown but there is money in
2 reserves.

3 **UTILITIES FUND**

4 Mrs. Johnson said revenues are about the same, we have received more money in water and
5 sewer connection fees than budgeted due to the new homes being built, probably won't see as much
6 next year. Wages and benefits expenses are lower and wastewater expenses are lower. Mrs. Johnson
7 said the lease payment for backhoe has been paid so there is a savings there. Mrs. Johnson said the
8 utility assessment cost is unknown, Comm. Denney said Mrs. Brant, the city engineer, said to put in
9 \$10,000 and that would be good, maybe not that much but didn't believe any more than that amount.
10 Which would leave this budget at a deficit of \$11,720 which we have carry forward to cover that.

11 **COMMUNICATION DEPARTMENT**

12 Mrs. Johnson said that the cable services are down, but the internet is increasing. She said the
13 wages and benefits were lower because we have an employee who will work 50% for cable and 50%
14 for administration, so this employee will be paid out of both departments. Mrs. Johnson said amount
15 going to reserves is \$170,450, there were more capital items last year, less this year, this is a balanced
16 budget. Comm. Hamilton said that is the goal to run the communication as a business so not to have to
17 use tax money.

18 **SANITATION DEPARTMENT**

19 Mrs. Johnson said revenues have increased due to the new homes, wages and benefits have
20 decreased because of the new hires, in expenses increasing tipping fees approximately \$30,000, first
21 lease purchase payment for the grapple boom \$39,150. She said with the revenue, expenses and
22 capital items leaves a deficit of \$53,750.

23 Comm. Hamilton asked what mileage rate did she put in to cover? Mrs. Johnson said 6%,
24 Comm. Hamilton suggest 6.3% to cover and bring down. Mrs. Johnson said she would reflect that
25 change in the next budget meeting. She said the rate has to be to the property appraiser's office by
26 August 4th. Mrs. Johnson asked if anyone wanted to meet again to scrub the budget some more or
27 leave it as is. Comm. Denney said he believes we have a good budget and good plan. Mayor Smith
28 agrees. First budget hearing will be September 14th.

29 Comm. Wasdin said another budget item the old bank building, she said it is 14,000 square
30 feet, it would fit administration, cable, library even leave room for growth. She said room for the city
31 without public works, there is also a lot of land. Comm. Wasdin said then we could decide what to do
32 with the buildings we are now in. Comm. Wasdin said \$1,000,000 or maybe \$1,500,000. Mayor
33 Smith said maybe they would be willing to swap land, Mayor Smith said well worth looking into.
34 Comm. Wasdin said our financing options are we could get a loan, a bond, find some grants, there are

1 a lot of possibilities out there. Comm. Hamilton said worth looking at. Mrs. Johnson said if this is
2 something the Commission is looking at then the remodel for administration and library pavilion
3 would not be necessary. Mayor Smith said he believes this would be a positive step for the city.

4 **ADJOURN**

5 With no further business before the Commission this evening, the budget workshop adjourned
6 at 7:09 PM.

7
8
9
10
11
12
13
14
15
16
17
18
19
20

Hubert B. Smith
Mayor

Katherine Hamilton
Chair, VCA

Tammy Johnson, CMC
City Clerk

***A recording of the August 2, 2021 Commission meeting will be kept on the City's secure
file server as a permanent part of these minutes.***