

**Fiscal Year 2023-2024 Budget Workshop (Tuesday, August 8, 2023)**

*Generated by Hayden Page on Tuesday, August 8, 2023*

**A. WORKSHOP OPENER**

Procedural: 1. Call to Order - Roll Call by Mayor

**Meeting was called to order by Mayor Stegall at 6:00pm.**

**In Attendance - Mayor Stegall, Vice Mayor Hendrix, Commissioner Huggins, Commissioner Redman, Interim Manager Tillis, Finance Director Sapp  
Absent-Commissioner Sirmones (sick), City Attorney Maines**

**B. AGENDA ITEM NUMBER**

Discussion, Information, Procedural: 1. City Commission Discussion on 2023-2024 Annual Operating Budget (FOR CITY COMMISSION DISCUSSION ONLY)

**Mayor Stegall opened the discussion for the budget discussion by and within the board.**

**Interim Manager Tillis requested to explain a few items that have come arise after the original presentation.**

**Insurance has increased (FMIT). Referenced that the property taxes is what made the significant increase.**

**Referenced that the previous city manager hired a firm to advertise the audit RFP and stated that the audit this year will be approximately \$42,000-\$44,000.**

**Stated that there was around 132 companies that had an email sent out. 12 companies review the RFP, and we had 1 response, which was James Moore. Stated that former auditor Powell and Jones, CPAs did receive the RFP as well.**

**Stated that Union County does use James Moore and pays around \$75,000 and City of Starke had used James Moore last year, but re-bid and had Powell and Jones selected for this year's audit.**

**Interim Manager Tillis did state that he spoke with City Attorney Maines about the auditor issue, and that Maines would be bringing a recommendation to the board.**

**Interim Manager Tillis stated that the cost of fuel has increased as well, and that a budget amendment might have to be taken in order to budget for this properly.**

**Interim Manager Tillis referenced the \$94,000 bill to Mittauer and suggested part of the payment be taken out of the Street Reserve Fund as well as the Wastewater Fund.**

**Interim Manager Tillis referenced planning and zoning, and the planning council taking a bigger part of the city's planning and zoning projects, with the lack of adequate knowledge for current staff. Explained that the city does not currently have the staff that is knowledgeable for the full job of planning and zoning.**

**Interim Manager Tillis stated he spoke with Scott Koons at NCFRPC to see if the amount it would cost would increase for their heavier involvement with planning and zoning.**

**Interim Manager Tillis stated the cost of the tractor did increase. Mayor Stegall questioned the reason why the increase occurred; Tillis stated the reason of the change.**

**Mayor Stegall requested the record be told that Commissioner Sirmones was able to make this meeting.**

**Commissioner Huggins asked Interim Manager Tillis the total cost of the tractor and confirmed with Hendrix the \$100,000 as collateral in order to get the interest rate.**

**Commissioner Huggins asked the reason why a cash payment was not made, Vice Mayor Hendrix clarified it would not be wise with the city's financial situation.**

**Vice Mayor Hendrix referenced the bottom-line revenue totals, and referenced the millage rate increase, and stated the increase would only be around \$34,450 with such a significant increase to the citizens.**

**Interim Manager Tillis stated that the millage rate increase did change according to Bruce Dukes, property appraiser.**

**Vice Mayor Hendrix expresses concern that the revised budget was not sent out to the board with the increase in value. Interim Manager Tillis said he would provide the board with a copy.**

Vice Mayor Hendrix raised concern with the decrease in revenue for the occupational licenses, and Interim Manager Tillis stated he was unsure where the original figure came from with past administration.

Vice Mayor Hendrix stated that the possibility of increasing the fee of occupational licenses due to the fact that they have not been reviewed in several years.

Interim Manager Tillis did comment that another area to review and improve the cost of planning and zoning fees as well.

Commissioner Huggins did suggest that the occupational license fees for surrounding counties and cities be researched to compare prices.

Vice Mayor Hendrix questioned the reasoning of miscellaneous taxes and fees, which Interim Manager Tillis explained it is for odd-end items that do not have a designated revenue account.

Vice Mayor Hendrix asked what UCHA Pilot was, Interim Manager Tillis and Commissioner Redman confirmed that this is revenue from the Union County Housing Authority in lieu of taxes.

Vice Mayor Hendrix referenced the Gov. 1/2 cent sales tax, stated that \$70,000 was collected, and stated that the projected amount is lower. Interim Manager Tillis confirmed this revenue decrease.

Vice Mayor Hendrix referenced the mosquito control fees for Town of Worthington Springs needs to be reviewed to possibly increase the amount the city charges the town.

Interim Manager Tillis explained that the Mosquito Control operator did order a 30-gallon drum rather than a 50-gallon drum but the cost was still \$2,700.

Vice Mayor Hendrix questions the animal control fees, and that it can be reviewed as well and possibly adjusted.

Interim Manager Tillis did state that he is still trying to sort out an issue with an organization for animal control pickup.

Interim Manager Tillis did reference the most dogs the city has at 1 time is an average of 3.

Vice Mayor Hendrix questioned the FDOT Traffic Signal Maintenance and Compensation Agreement revenue that increased. Hendrix also questioned the FDOT Greenscape revenue as well as the state highway lighting agreement and raised concern with the contract being signed without board approval.

Vice Mayor Hendrix questioned the special events donations line.

Vice Mayor Hendrix also questioned the Northeast Florida League of Cities (NEFLC) dinner expenses and asked if the city had received reimbursement.

Vice Mayor Hendrix questioned the other rents revenue line.

Vice Mayor Hendrix referenced the Welch barn rental and the contract being reviewed at the next regular meeting.

Vice Mayor Hendrix stated that the contract has an end date of September 30, 2023.

Vice Mayor Hendrix requested from the clerk that the Welch contract be put on the agenda for August 15, 2023 regular meeting.

Vice Mayor Hendrix stated that the Union Depot contract for lease is in violation of the grant that was used to construct the building.

Mayor Stegall requested from the clerk that the Union Depot lease contract also be put on the August 15, 2023 regular meeting.

Vice Mayor Hendrix requested the contract between Union Depot and City be reviewed to check the term end date.

Vice Mayor Hendrix questioned the transfer from/to between funds, Interim Manager Tillis explained the inter-fund transfers.

Vice Mayor Hendrix did question the lack of the breakdown of each employee benefits and deductions and raised concern with the tension between Vice Mayor Hendrix and Interim Manager Tillis.

Vice Mayor Hendrix did express great frustration on the lack of supporting documentation for the planning of the budget process.

Vice Mayor Hendrix stated that the moratorium was broken when Interim Manager Tillis provided an employee with a raise along with the promotion.

Vice Mayor Hendrix did state that she had questioned Finance Director Sapp on the raise, and Sapp stated that he brought this to Interim Manager Tillis' attention, and Tillis instructed Sapp to proceed.

Vice Mayor Hendrix did clearly reference that city funds cannot be purchased for private property and referenced the fence that was put up by the ice machine.

Vice Mayor Hendrix expresses concern with the previous administration's pattern with lack of transparency is occurring again.

Commissioner Huggins did ask if the sheriff's office did receive a call from the City on surveillance for this property to prevent the occurrence.

Commissioner Huggins did comment on the concerns that Hendrix raised for lack of transparency with the city's operations.

Mayor Stegall did second Huggins remark on the support for Tillis in his efforts thus far but did comment on the fact that they wish to get more involved with the city's current financial situation.

Commissioner Sirmones commented that the city can be held accountable for hazardous items throughout the City.

Commissioner Huggins did comment that moving forward, we need to get Code Enforcement involved and take the more appropriate steps.

Finance Director Sapp did comment on his role here since his arrival in August 2022. Finance Director Sapp did explain his perspective and thoughts with his role and the city's finances.

Mayor Stegall banged the gavel to restore order after straying off the path of the agenda.

Vice Mayor Hendrix did question the FUTA expense line.

Vice Mayor Hendrix did question the FRS increase in retirement expenses.

Vice Mayor Hendrix referenced the Mayor's Art Award expense, suggested the City adjust that and not have it due to the city financial situation.

Vice Mayor Hendrix did reference the group term life insurance policy.

Vice Mayor Hendrix questioned in significant increase in city manager workers compensation, Interim Manager Tillis explained the fundamentals behind the salary distribution.

Vice Mayor Hendrix did ask why the increase was so much, Interim Manager Tillis explained that due to incorrect GL expenses with payroll, the workers compensation was not being accounted for properly.

Vice Mayor Hendrix questioned the travel expense and conference expense lines. Interim Manager Tillis stated that the two were combined into one and reduced significantly due to Walker no longer being here expensing significant purchases.

Interim Manager Tillis did explain that the salary distributions were reconstructed to lessen the expense on the water and wastewater funds.

Vice Mayor Hendrix did state the several printers that are a significant expense, stated that the lease for the copier plus the ink cartridges for the 5+ printers could be reviewed and adjusted to lessen the expense.

Vice Mayor Hendrix stated the cell phone system and suggested that the city could switch to radios.

Interim Manager Tillis did state that the board could switch to radios very easily.

Vice Mayor Hendrix requested Tillis research the cost of radios.

Mayor Stegall did state that the suggested continuation of this workshop, in place of the policy special meeting at 6pm on August 14.

Vice Mayor Hendrix mentioned the city inventory list. Stated that the city needs new work vans and suggested selling the Suburban and purchasing two replacement vans for the public works department.

Vice Mayor Hendrix suggested that the board might need to hold a special meeting this week to vote on the sale of the Suburban.

Mayor Stegall stated he is available anytime this week.

Mayor Stegall requested the special meeting be held on Monday, August 14, 2023, at 6pm to discuss and vote on the sale of the Suburban, and to have the continuation of the budget workshop start after the conclusion of the special meeting.

**Finance Director Sapp asked if staff should get the vehicle inspected beforehand, sometime this week, to see if the offer would be firm. The board stated it would be best to have it inspected to get a firm offer.**

C. WORKSHOP ADJOURNMENT

Action: 1. Adjournment by Mayor

Recommended Action: Motion to adjourn.

**Mayor Stegall made the decision of continuation to Monday, August 14, 2023 at 6:15pm, with the special meeting being held at 6pm on Monday, August 14, 2023.**