

Regular City Commission Meeting (Tuesday, July 18, 2023)

Generated by Hayden Page on Tuesday, July 18, 2023

Edited by Hayden Page on Friday, July 21, 2023

A. MEETING OPENER

Procedural: 1. Call To Order - Roll Call

Meeting was called to order at 6:00pm.

**In attendance - Mayor Redman, Vice Mayor Stegall, Commissioner Huggins, Commissioner Hendrix, Commissioner Sirmones
City Attorney Maines, Interim City Manager Tillis, Finance Director Sapp**

Procedural: 2. Opening Prayer

Opening prayer was led by Mayor Redman.

Procedural: 3. Pledge of Allegiance

Pledge of Allegiance led by Mayor Redman.

Action: 4. Election of Officers

Recommended Action: Motion to appoint a Mayor and Vice-Mayor by decision within the board.

Acting Mayor Redman passes the gavel to City Attorney Maines.

City Attorney Maines starts the nomination process for Mayor.

Commissioner Hendrix nominates Commissioner Stegall for Mayor.

Motion to close nomination process was made by Commissioner Hendrix.

**Ayes-Hendrix, Redman, Sirmones, Huggins
Nays - None**

Nominations for Mayor have closed. The new Mayor is Commissioner Stegall.

Mayor Stegall then opens the nomination process for Vice Mayor.

Nomination for Commissioner Redman made by Commissioner Sirmones.

Nomination for Commissioner Hendrix made by Commissioner Huggins.

Motion to close nominations made by Commissioner Redman.

All in favor with closing nominations for Vice Mayor.

Motion needed to nominate Redman or Hendrix.

**Commissioner Sirmones -Commissioner Redman
Commissioner Huggins - Commissioner Hendrix
Commissioner Hendrix- Self
Commissioner Redman - Self
Mayor Stegall - Commissioner Hendrix**

Nominations closed. Commissioner Hendrix is appointed as Vice Mayor by decision of the board.

Action: 5. Approval of The Agenda Format

Recommended Action: Motion to approve the agenda format.

Motion to approve the agenda format made by Commissioner Redman. Seconded by Vice Mayor Hendrix. Unanimous approval. Motion carried.

B. CITIZEN INPUT

Information: 1. Provision for Citizen Input

Jean Brannen
220 N Lake Avenue

Thanks Mr. Tillis and Mr. Banks for their decision to come out of retirement to help the City after the mess that was made with previous city manager.
Appreciates the board's continued work to improve the current situation of the City.
Thanks Mr. Tillis, Mr. Maines, and the City Commission.

Mathew Kelley

Just received a call from Sheriff Brad Whitehead on a processing truck that spilled fluids on the road, which is a dangerous safety hazard, and that a motorcyclist slipped and fell. Needs to be reviewed closer.

Cindy North
290 NE 1st Avenue

References garbage truck that leaves a puddle of grease when servicing the city.

Lisa Huggins
640 SE 4th Street

At the last meeting, a question was asked about the business owner that opened down at the Lake and asked if the owner applied for proper permitting.

Mr. Tillis comments that he spoke with the owner today on this entire situation and confirmed that the owner did confirm that electrical, HVAC, and other permits were pulled, but that a letter of compliance from the City was not made.

Mr. Tillis did confirm that the property that the building is located on is zoned commercial general.

Mrs. Huggins asked who would be the responsible party for shutting down the unlicensed business.

Mr. Tillis stated that the City would be the responsible party.

City Attorney Maines comments on if a letter of compliance is required for a renovation.

Commissioner Huggins recommends the Commission enact a firmer policy to keep a better handle on the city occupational licenses, penalties, and unlicensed businesses.

Ms. Sue Ann Davis commented on an issue with the owner that parks in the loop, obstructing the road.

Mr. Maines comments on the question asked of code enforcement officer if he has shut down food trucks, businesses, etc.

Mr. Maines reads response, and comments that the current city ordinance does not have such a policy as a shutdown if not licensed penalty.

Cindy North comments that the owners have installed massive sound systems and is concerned on the noise ordinance/violation.

City Attorney Maines recommends the city follow the state statute on noise ordinance.

C. REPORT OF CITY MANAGER

Information, Reports: 1. City Manager Monthly Report

Interim City Manager Tillis explains that most of his report was included in the budget presentation with the message given.

Tillis comments that the budget creation process was extremely difficult with the fact that normally, there are past audits that can be referred to and analyzed but stated that previous budgets created by past administration was not trustworthy and overspent significantly, and had to research every line item individually, which was incredibly time consuming.

Begins with the results of the audit, stating the City's financial status not being in great condition. States that the City cannot ignore the severity of the situation, or else more repercussions will take place.

States that the City will undergo some strain, pain, but stated that the City has to start somewhere in rebuilding the finances of the City.

Stated that the City's fund balances were in good condition upon hiring Walker, and now the fund balances are significantly depleted, and overspent on several different expense items.

References the beginning of last fiscal year, the General Fund balance was \$589,000. If it was not for the purchase of the pw property from the wastewater fund paying the general fund, the general fund balance would have been \$66,000.

Tillis stated that he has never created a budget with no capital outlay, but this upcoming budget will not include a single piece of capital outlay.

References that the Water Fund is in very serious condition, as the auditors stated during their audit presentation.

Stated that salaries were adjusted to not expense as much to the Water Fund, due to its condition.

Stated the proposed ad valorem tax increase of 0.5 mil from 2.75 to 3.25.

References the proposed increase in water and sewer rates, with a 9% rate increase to the water and sewer rates for the upper tiers.

Explained that in the last fiscal year budget, the 2,000-gallon minimum threshold was removed which was not approved by the city commission.

Stated that in his proposal, he has put back in the threshold of the 2,000-gallon minimum but did state that the minimum amount would have to increase in order to offset the loss of revenue for the reimplementation of the minimum.

Stated that 150-180 people fall under the minimum amount of water used and are on normal basis on a fixed income.

Stated that the bulk of the customers fall in the first 3 tiers of the rates.

Stated that the proposed rate would be from 21.06 to 23.06 for water services.

Stated the problem in previous years has significantly been over on expenses, references that in prior years, approximately \$300,000 of fund balance was used, and stated that the city got down to \$21,000 water fund balance and cash.

Stated that the city's wastewater fund operation is twice the size of the city's water fund operation, with the water services being provided to 1900 residents and a few people outside city limits, while the wastewater service is for the 2200 residents plus the 1900 inmates at RMC and did include that all outside city limits is charged 25% above the rates for inside city limits.

Stated that the Wastewater fund is in better shape than the water fund, with the fund balance and including the wastewater cd investment which puts the city's fund balance for wastewater is above the 25% minimum required by law.

Comments that the water and sewer system currently in the ground is 50-80 years old, and that the flow of wastewater will double when it rains, due to the current leaks with the water and sewer lines.

Referenced that the new plant will alleviate the overflow that happens with heavy rain, and that the engineering firm has helped to acquire \$50,000,000 in grant funding.

Referenced that the grants are about to get fully underway and that the water tank replacement project should take place very soon. The current leaking tank that is an issue.

Explained the proposed rates for this upcoming fiscal year, with the current and proposed provided for comparison.

Stated that all 790 residents will benefit from the minimum gallon of 2,000 but did state that the minimum amount for sewer will have to be adjusted, as well as the upper tiers to recoup some of the money that will be lost in putting the minimum gallon allowance back into the budget.

References the employee salaries that are listed in the presentation.

Commissioner Hendrix asked if the numbers were accurate, and Sapp and Tillis stated they were.

Vice Mayor Hendrix stated with information provided to her might be a problem with the salaries provided in the presentation.

Interim Manager Tillis explained that there are 14 full time employees, 1 part time employee, and that the original plan was to add a second part time person, but the budget does not have the means to compensate.

Mrs. Huggins asked for the need of a part time employee after hearing the part time employee talk about how easy her job is, and how it is lax.

Tillis stated it would be reviewed.

Discussion, Information: 2. Presentation of Proposed Budget for 2023-2024 Fiscal Year

Discussed under the agenda item for city manager monthly report.

Action, Discussion: 3. Scheduling of public hearing(s) and special meeting(s) for 2023-2024 Annual Operating Budget and TRIM process

Recommended Action: Motion to set meeting(s) for the public hearings and special meetings for the 2023-2024 annual operating budget.

This is discussed by the board later in the meeting.

D. MONTHLY FINANCIAL REPORT

Action, Reports: 1. Financial Report for period October 1, 2022 - June 30, 2023

Recommended Action: Motion to approve the financial report for period October 1, 2022, through June 30, 2023.

Finance Director Sapp provides his monthly financial report to the board.

Motion to approve the financial report for period October 1, 2022, through June 30, 2023, was made by Mayor Stegall. Seconded by Commissioner Huggins. Unanimous approval. Motion carried.

E. AGENDA ITEM NUMBER

Action (Consent), Reports: 1. Consent Agenda

Recommended Action: Motion to approve consent agenda.

Commissioner Hendrix stated questions, which are as follows:

-Within the consent agenda, there was an additional item requested by the commissioner, but it is not included in the consent agenda.

-Stated that the memo for longevity recommends a freeze/moratorium on the longevity, when she wanted to discontinue it altogether due to the city's limited finances.

-City Attorney Maines stated a motion will need to be made to remove the item from the consent agenda in order to discontinue.

-Vice Mayor Hendrix referenced the USDA equipment memo, with the recommendation that the city attempts to terminate the agreements due to the city's dire financial situation.

-Commissioner Redman asked if Tillis had spoken with USDA, and Tillis said he did and asked if there will be any financial penalties on future grants for this decision if made.

-Interim Manager Tillis explains the grants are 80% grant funding/20% city funding.

-Interim Manager Tillis explains that in order to save some money when very much needed, the commission would need to approve Tillis and Sapp to continue the course of action recommended.

-Vice Mayor Hendrix comments and confirms that the city pays the money in full and gets reimbursed from USDA at a later date.

-Interim Manager Tillis explains why the city has not received the reimbursement from USDA from the skid steer because the skid steer and vac trailer grant was intertwined or combined.

-Interim Manager Tillis stated his recommendation would be if this is able to be done, then a contingency fund would be recommended for creation, which can only be used by the Commission with their full approval.

-Interim Manager Tillis stated during his experience, he has not had a problem with creating or opening a contingency fund for emergency circumstances.

Motion to approve the consent agenda excluding the longevity memo by Vice Mayor Hendrix. Seconded by Commissioner Redman. Unanimous approval. Motion carried.

Vice Mayor Hendrix did comment on the longevity memo.

Motion to terminate the longevity pay was made by Vice Mayor Hendrix. Seconded by Commissioner Redman. Unanimous approval. Motion carried.

Action, Discussion: 2. City Christmas Parade Date and Theme

Recommended Action: Motion to set a date for the 2023 Christmas Parade and to set a theme for the parade.

Mayor Stegall stated that after speaking with Hayden and the band director and that an available date for the parade would be the 16th, with a theme from several citizens of a Disney Christmas.

Motion to approve the 16th as the date for the Christmas parade at 6pm, and to set the theme as a animated character Christmas theme by Commissioner Redman. Seconded by Vice Mayor Hendrix. Unanimous approval. Motion carried.

Action, Discussion: 3. Downtown Christmas Display Contest Dates and Theme

Recommended Action: Motion to set a date range for the Christmas downtown display contest, and to set a theme for the contest as well.

Commissioner Redman asked why the theme couldn't be the same as the Christmas parade, and the board agreed to have the 11th-15th for the judging period.

Motion to approve the display contest to be the same theme as the Christmas parade, with the judging dates 11th-15th and the awards would be \$100 for first place, \$75 for second place, and \$50 for third place, and the next year's occupational license free for the top 3 was made by Vice Mayor Hendrix. Seconded by Commissioner Redman. Unanimous approval. Motion carried.

Action, Discussion: 4. City Manager Replacement

Vice Mayor Hendrix stated that the commission needs to advertise the city manager position as soon as possible due to the time it takes to have them advertised.

Vice Mayor Hendrix did state that the labor attorney Dena Sokolow did state during mediation that the roles of the Mayor and Vice Mayor as well as the duties of the city manager need to be reviewed and adjusted.

City Attorney Maines stated that during the previous hiring process for city manager, the former finance director advertised the role in various places.

Vice Mayor Hendrix stated that instead of spending time with finding the previous job description, the board should create a new job description as soon as possible.

Vice Mayor Hendrix suggested a special meeting be set within the next week or so to discuss the city manager job description.

Vice Mayor Hendrix also stated that the labor attorney suggests a standard contract be drafted instead of the person creating their own contract.

City Attorney Maines stated that Stegall can send over his drafted contract to Maines for review and once approved, can be sent over to board.

Action, Discussion: 5. Audit Findings - Policy Modifications or New Policy(s)

Vice Mayor Hendrix requested this item be added to the results of the audit and suggested that in order to assist the city manager and city hall staff, each commissioner can take a policy or policies and review and revise and bring back to the board at a later meeting, so that the policies and procedures can be adjusted to fit the city's current needs sooner rather than later.

Vice Mayor Hendrix wishes or recommends assigning a policy(s) to the board member(s) to review and approve.

Policies to be reviewed by the board:

**Personnel Policy-Vice Mayor Hendrix
Shoe Allowance Policy - Mayor Stegall
Uniform policy -Mayor Stegall
Procurement policy -Commissioner Sirmones
Time off policy -Vice Mayor Hendrix
Cell phone policy- Commissioner Huggins
Credit card policy- Commissioner Redman
Vehicle Policy - Commissioner Redman
Travel Policy - Commissioner Huggins**

The board is in agreement with the assigned policies listed above.

Motion to set the budget workshop for August 8th at 6pm was made by Commissioner Redman. Seconded by Vice Mayor Hendrix. Unanimous approval. Motion carried.

Motion to set the special meeting for August 14th for the policy discussion was made by Commissioner Redman. Seconded by Vice Mayor Hendrix. Unanimous approval. Motion carried.

Motion to change the workshop from a policy workshop to a policy special meeting by Commissioner Redman. Seconded by Vice Mayor Hendrix. Unanimous approval. Motion carried.

Action, Discussion: 6. Audit Findings - 1099 Employee Contracts

Recommended Action: Action to terminate or adjust selected employee contracts and to discuss how the City Commission will handle these and all employee contracts moving forward.

Vice Mayor Hendrix requested this item be added to the agenda, and recommended termination of the mosquito control and cleaning contracts that both were not approved by the City Commission under the previous city manager.

Vice Mayor Hendrix recommended termination of the mosquito control contract and adjust to the worker being \$25/hour which would not interfere with their normal working hours, and that the cleaning contract would be absorbed by the on-call personnel.

Vice Mayor Hendrix urges the contracts be terminated.

City Attorney Maines states that there is no 1099 involved with current city employees due to the fact that they do not fit the criteria to receive a 1099 form.

Motion to increase from the cleaning deposit from \$50 to \$100 and decrease from \$50 to \$25 effective January 1, 2024, and reach out to renters January 1, 2024, and after for a total deposit of \$125 and if the building was not cleaned up, the renter will forfeit the deposit was made by Vice Mayor Hendrix. Seconded by Commissioner Sirmones. Unanimous approval. Motion carried.

City Attorney Maines stated that the Town of Worthington fee needs to be reviewed.

Motion to terminate the mosquito control contract effective immediately by Vice Mayor Hendrix. Seconded by Commissioner Redman. Unanimous approval. Motion carried.

Motion to base the hourly pay for mosquito control be \$25 per hour and to have that money treated as a salary by Vice Mayor Hendrix. Seconded by Commissioner Redman. Unanimous approval. Motion carried.

Motion to terminate the current cleaning contract effective immediately made by Vice Mayor Hendrix. Seconded by Commissioner Redman. Unanimous approval. Motion carried.

Motion to authorize on call personnel to inspect and review buildings, and pictures be taken only in the event that the building is not cleaned, and the deposit is not refunded to renter was made by Vice Mayor Hendrix. Seconded by Commissioner Redman. Unanimous approval. Motion carried.

F. REPORT OF CITY ATTORNEY

Maines stated that the mediation results between the city's labor attorney and Dale Walker's attorney will hopefully be presented at next month's meeting.

G. COMMENTS OR REMARKS BY COMMISSION

Commissioner Sirmones- nothing to report.

Commissioner Huggins- thanks Tillis and board in the due diligence done to the current situation.

Commissioner Redman- Ditto to Huggins remark. Thanks Tillis and the board and appreciates the time to serve as Mayor.

Vice Mayor Hendrix- Provides disappointment with previous meeting the day before with Tillis and Sapp, and vents frustration on the misunderstanding with salaries and several different circumstances. Vice Mayor Hendrix explained that she had spoken with Interim City Manager Tillis and Finance Director Sapp for 3 hours on the previous day and stated that they had come to a conclusion of how to handle the items addressed within that 3-hour meeting on Monday, and that did not occur at this meeting as agreed upon. Interim City Manager Tillis rebutted that he had spoken with Commissioner Hendrix earlier this morning and informed her he could not support her suggestion and that it would not be placed in the consent agenda. Vice Mayor Hendrix disagreed and said that the matter was not discussed during the phone call earlier in the day. Mr Tillis said "Yes it had".

Mayor Stegall - Nothing to report.

H. ADJOURNMENT

Action: 1. Adjourn

Recommended Action: Motion to adjourn.

Motion to adjourn made by Hendrix. Seconded by Huggins. Unanimous approval. Motion carried.

Meeting adjourned at 8:57pm.