

MINUTES OF THE SPECIAL MEETING OF THE CITY OF APALACHICOLA CITY COMMISSION HELD THURSDAY, SEPTEMBER 6, 2018, 6:00 P.M. AT THE APALACHICOLA COMMUNITY CENTER.

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

Ron Nalley, City Manager
Lee Mathes, Director of Administration
Bobby Varnes, Chief of Police
Pat Floyd, City Attorney

ABSENT: Commissioner Mitchell Bartley

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| CALL TO ORDER |
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Commissioner Brenda Ash called the final budget workshop to order and followed by making several opening comments.

Commissioner Ash stated that at the last meeting, Mr. Croom inquired about whether the city saw this coming. Commissioner Ash responded that yes, they did and that is why Mayor Johnson sat in Tallahassee at many meetings trying to get this issue resolved. The City has made many different attempts to resolve this issue prior to this point and will continue doing so.

Commissioner Ash opened the floor for public comment.

Public comments from the citizens ranged from questioning the City's financial situation and why the Commission let it get to this point to demanding that this issue needs to be looked at seriously and solutions found. Citizens also expressed concern over the increase in water and sewer rates at 13.5% and the need for such high SUF fees. A primary concern was the ability of seniors to afford this increase on their water bills.

Mayor Johnson reminded the Commission that the city had a rate schedule study done by Florida Rural Water and that the city should follow their recommendations. Mayor Johnson stated that the increases on water and sewer usage and the surcharge are to go specifically to repay the loan that should be paid off in seven to eight years. Mayor Johnson stated he would be willing to pursue a Resolution stating that the SUF fee will either be removed or lowered after the loan is paid off.

Attorney Floyd stated there are certain Resolutions that are binding and some that are not, and that the Commission can not extend something out so far as to bind an upcoming council. Attorney Floyd stated the reason for collecting this fund is to pay this particular debt, and the SUF fee is dedicated to this purpose.

Mayor Johnson commented that he would not have a problem with a citizens group meeting with Mr. Nalley to offer recommendations to help the City.

Mr. Nalley stated that staff has been working hard reviewing numbers and looking at alternatives to bring to next week's meeting. The General Fund is struggling and at this time staff is looking at ways to make additional cuts.

As a result, the General Fund is not in a position to support the Water and Sewer fund. The City has in the past borrowed from one fund to pay another and unfortunately every fund is out of money. Staff is putting together a small team to offer suggestions that were talked about tonight, including basing the SUF fee on usage.

Mayor Johnson would like Jaime Liang to serve on this team as a resident.

Mr. Nalley also clarified that the municipal utility tax is now being taxed at 10% on the first \$60 and that staff is recommending a 10% flat rate on the entire bill.

Mr. Nalley stated that other savings may include reducing the employee health insurance benefit package. It is estimated that this may save approximately \$40,000. Attorney Floyd commented that this would need board approval, due to changes in benefits. Mayor Johnson asked Mr. Nalley to bring the matter up for approval at the October meeting. Mr. Nalley also mentioned the need to authorize the sale of surplus assets that are worth below \$5,000. A list will be prepared and submitted to the Commission at a future meeting.

Mr. Nalley stated Commissioner Ash had submitted a list of items for his review, and that if anyone else had anything, to please let him know. Commissioner Ash stated that Mr. Nalley and she had a conversation about moving forward and continuing to find ways to conserve.

There being no further business, meeting adjourned at 7:15 PM.

Van W. Johnson, Sr., Mayor

Deborah Guillotte, City Clerk