

SPECIAL CALL MEETING SEPTEMBER 4, 2014

Be it remembered that the Mayor and Board of Aldermen of the City of Ocean Springs met in a Special Call meeting at the Ocean Springs City Hall in the City of Ocean Springs at 6:00 p.m. on September 4, 2014. *Mayor Pro Tem* Gill presiding, Aldermen Cox, McDonnell, Cody, Denyer and Impey were present. Mayor Moran and Alderman Dalgo were absent. Also present was City Clerk Shelly Ferguson.

The *Mayor Pro Tem* called the meeting to order.

The Special Call Meeting is for the purpose of any and all matters pertaining to issues related to awarding the quote to Gulf Coast Underground, LLC for manhole lining in an amount not to exceed \$50,000, funded by the Section 592 Grant and discussion on FY14-15 budget.

Motion was made by Alderman Denyer, seconded by Alderman McDonnell and unanimously carried to award the quote to Gulf Coast Underground, LLC for manhole lining in an amount not to exceed \$50,000, funded by the Section 592 grant (Exhibit A).

Alderman McDonnell thanked the Finance Committee for their hard work in preparing the upcoming budget for the next fiscal year.

The City Clerk gave the report of the proposed FY14-15 budget. Alderman McDonnell suggested looking for ways to increase sales tax to generate more business and economic development rather than increasing millage. He said sales tax is the number one revenue source for the City.

She gave the highlights of the general fund revenue. Sales tax revenue is up \$200,000 from our budgeted estimates at the beginning of this year; ad valorem assessment for next fiscal year has increased by \$28,000; utility franchise tax increased by \$50,000 from last year; building permits are up by \$35,000; homestead exemption was \$13,000 more than last year, and road taxes are down \$20,000.

She also said the court fines and fees are up by \$100,000 - \$120,000 than the amount collected last year. She said this will continue to grow because the Judge has implemented new fines. A lot of effort has been made in the collection of old fines.

The water/sewer transfer to the general fund will be \$250,000 each, a reduction from prior years which was \$300,000. She said she will continue to reduce the transfer amounts in future budget years.

On the expenditure side, she said every department budget has been reduced. The utilities fees have increased significantly. The building, comp collision, boat, liability insurances have remained consistent from last year.

Based on new legislation, the Building Department and Public Works will be able to do some lot cleanings in-house on a case-by-case basis based. This will the City to not only charge for the labor and equipment but also additional fees for time and penalties. The City can assess those fees to the homeowner's taxes and will paid on the next year's tax bill.

She said the Police Department has no major changes except the cost for prisoner meals has decreased due to the agreement with the Singing River Hospital System.

A new position is budgeted in the Planning Department. The temporary employee in Court Department will remain on temporary status due to an employee being out on medical leave. The Parks Department will hire an Athletic Coordinator but will remove a clerk position.

She said there are four (4) new Pat Harrison Waterway District projects that will be done next year.

The health insurance will increase by \$96,000 and split funding did very well this year.

The City Clerk stated the budget shows employee raises based on a tier system. Those employees making under \$30,000 will receive a 3% pay increase; employees making between \$30,000-\$40,000 will receive a 2% pay increase and those making \$40,000 and above will receive a 1% pay increase. Those employees hired or promoted in 2014 will not be eligible for the pay increase. The Mayor and Board of Aldermen are not eligible for the pay increase.

She stated the estimated ending balance for the current year is \$138,945 and the ending balance for the next fiscal year will be \$260,981. There are no capital projects or machinery and equipment built in the proposed budget. The emergency fund balance is \$776,000.

Alderman Denyer stated two (2) very good projects, Government Street Sidewalk Project and the Harbor Improvement Project, will be complete in the upcoming year.

Motion was made by Alderman McDonnell, seconded by Alderman Impey and unanimously carried to establish a City-wide Maintenance Team, headed by John Russell, with a designated representative from each department and authorize the team to sign out tools and equipment from Public Works as needed, to work on projects that are out of the scope of the day to day work schedule. The team will do an inspection on each building to determine repairs needed.

Motion was made by Alderman McDonnell, seconded by Alderman Impey and unanimously carried to remove the automatic \$1.00 increase for employees achieving their commercial driver's license. The Public Works Director concurs.

The City Clerk reported the Finance Committee met with the department heads to discuss using flex time to help reduce the overtime costs. The fire and police shift employees will not be able to use flex time.

Motion was made by Alderman McDonnell, seconded by Alderman Cox and unanimously carried to authorize the Payroll Clerk and City Clerk to develop a plan by November 1st on how to increase participation in the flex program amongst the various departments that are eligible and incorporate the use of executive exempt employees to absorb some of the overtime costs and to project of how much savings can be absorbed from overtime expenses, with the H.R. Committee assisting with this plan.

The City Clerk stated the Police Department will now check street lights at night instead of using an employee from Public Works.

She also reported the utilities that are budgeted are not based on the more efficient lighting because the loan process is very lengthy but is in the process now.

She explained the repairs for the Mary C. O'Keefe Cultural Center are estimated at \$250,000. The plans for the repairs have to be approved by MDAH. After approval, the Board will have to decide how to pay for the repairs. If the City borrows the money, the City Clerk said there will no choice but to increase debt service millage next year by one (1) mill. Alderman McDonnell suggested creating a master list of all the major repairs needed to all of the city buildings and includes those costs in the loan for the MCOK roof repair. These funds should be earmarked for repair city buildings.

The Finance Committee recommended not approving the purchase of police vehicles at this time. When the City receives asset forfeiture funds, vehicles could be purchased with those funds. She stated she would like to use asset forfeiture funds to purchase the E-Ticket system for the Court Department. She further explained the electronic ticket system the Court is using now will end December 31 and they will go back to all hand written tickets.

She asked that the City's website be updated in the future. This cost is not included in this budget.

The Unified Development Code update is not included in the new budget. Ms. Beckham, Planning Commissioner, reported the mark-ups made by the Planning Commission have never been made to the Code. She stated it would take 6-12 months to complete the process. The City Clerk will get the status of this project.

The City Clerk stated the tourism (hotel) tax is down by \$10,000. These taxes go to the Chamber of Commerce. The food and beverage tax is up \$45,000 more than estimated from last year.

She stated one of the fire trucks will be paid off on December 15, 2014, paid from Fire Protection Fund 161. She and the Fire Chief suggested purchasing a new fire truck in 2016.

There is no increase in garbage fees. The water rates will still automatically increase by 3% starting October 1st.

Alderman Cox suggested more advertising for the remaining cemetery plots. Alderman McDonnell also suggested earmarking funds made from the sale of the first 2-3 burial plots be used to replenish the cemetery maintenance account. The City is offering a finance plan for up to a year for those interested in purchasing a burial/urn plot.

The Parks Director, City Clerk and Public Works Director will meet to discuss ways to determine a plan to reduce the utilities for water at the Highway 57 Sports Complex.

There was discussion concerning fleet reduction. The Police Department is using the parts on the older vehicles to repair the newer vehicles. Alderman Cox report the Police Chief agreed to surplus the oldest vehicles when new vehicles are purchased. He has also recommended by having two (2) officers use one vehicle will help reduce the fleet.

Alderman McDonnell asked the Public Information Officer to send out a Press Release that highlights of the budget which is no tax increase, employee raises, no garbage rate increase, no layoffs, no reduction in services, employees fully insured, and a larger projected cash to end surplus than the City has had in the last nine (9) years.

The City Clerk announced the Public Hearing for the FY14-15 budget has been scheduled for Monday, September 8th at 6:00 p.m. at City Hall.

Motion was made by Alderman McDonnell, seconded by Alderman Denyer and unanimously carried to adjourn the Special Call Meeting.

The meeting ended at 7:18 p.m.

City Clerk

Mayor

**CITY OF OCEAN SPRINGS
COUNTY OF JACKSON
STATE OF MISSISSIPPI**

Call for a Special Meeting of the Mayor and Board of Aldermen of the City of Ocean Springs, Mississippi.

From: Mayor Moran

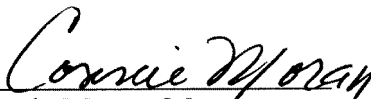
To: Aldermen Cox, Gill, McDonnell, Cody, Denyer, Dalgo, and Impey

You are hereby notified that a Special Call Meeting is called to meet at City Hall at **6:00 p.m., Thursday, September 4, 2014.**

THE OBJECT OF THE MEETING IS AS FOLLOWS:


Any and all matters pertaining to:

- a) Award quote to Gulf Coast Underground, LLC for manhole lining in an amount not to exceed \$50,000, funded by the Section 592 Grant
- b) Discussion on any and all issues related to the FY14-15 Budget



Connie Moran, Mayor

ATTEST:



Shelly Ferguson, City Clerk