

RECESS MEETING SEPTEMBER 8, 2015

Be it remembered that the Mayor and Board of Aldermen of the City of Ocean Springs met in a Recess meeting at the Ocean Springs Municipal Court room in the City of Ocean Springs at 6:00 p.m. on September 8, 2015. The *Mayor Pro Tem* Cox presiding, Aldermen Gill, Cody, Denyer, Dalgo and Impey were present. Alderman McDonnell was 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 any and all issues related to the Public Hearing for the FY15-16 Proposed Budget.

PUBLIC HEARING

Motion was made by Alderman Cody, seconded by Alderman Dalgo and unanimously carried to open the Public Hearing.

The City Clerk gave a summary of the proposed budget for FY15-16. She reported ad valorem taxes were down causing a reduction of \$40,000 in revenue; sales tax has increased over \$280,000 from the prior fiscal year; franchise fees are up by \$20,000.00 and the water and sewer transfers were reduced from \$250,000 each to \$200,000. The City's projected ending balance for FY14-15 is \$763,895.00 and ending balance for next year is projected at \$443,456.00. She said the operating budget remains the same as last year's budget with the exception of employee raises; a flat health insurance renewal; workers' compensation insurance was reduced by \$8,000; utilities were increased by 18% resulting in \$119,600 additional expense and a \$20,000 tree maintenance and removal line item was added.

The City Clerk presented the list of the departmental capital requests and a graph showing the City's revenue sources (Exhibit A).

The Mayor arrives and assumes control of the meeting.

The City Clerk explained that landscaping will have its own line item budget of \$10,000.00. The Mayor stated the State Garden Club will be hosting a conference on the Coast in April, 2016. The Mayor asked the Board to consider adding additional funds to that budget. Alderman Denyer stated he agrees with increasing this budget but suggested tasking the City landscaper with preparing a budget and design plan and make a presentation to the Board. The plan should include the areas in the City that are irrigated and cost estimates for installing irrigation to the ones that are not and

also a maintenance plan. Alderman Cox suggested putting in more greenery and less flowers.

The City Clerk reported the Mary C. O'Keefe Cultural Center requested an allotment of \$20,000 instead of \$10,000 and the proposed budget reflects this change. She also explained the City's match of \$90,000 for the Government Street Improvements Projects.

Alderman Gill asked the Mayor to check whether or not the Pat Harrison Waterway District funding will continue.

The proposed budget reflects employee pay raises based on an amount the City can sustain year to year. She explained a total re-alignment was done in the Fire Department and Police Department based on current salaries, positions and ranks. Extensive research was done in order to accomplish this task. In the other City departments, the department heads were given an amount which reflected the total of a 3% salary increase for each employee in their department. The department head then chose the percentage to be given based on merit. The City Clerk those employees who have been employed with the City for less than one year and those who have been promoted or received an increase in pay beginning October 1, 2015 – September 30, 2015 are not eligible for a raise in FY15-16. Each department approved and signed off on all pay raises.

In the water and sewer enterprise funds, there was discussion concerning the rate increase by the Jackson County Utility Authority (JCUA). She proposed an 8% rate increase for our water and sewer customers. She said the 8% is very conservative amount. The City stated she was informed that the JCUA would propose another significant increase next year. The Mayor stated other City officials in the County were not made aware of this rate increase until the last hour. The City and County officials would like to have a joint meeting with the JCUA to ask for their capital improvement plan.

The City Clerk explained the tourism tax is submitted directly to the Chamber of Commerce in the amount of \$25,000.00; the food and beverage tax is up significantly; the library fund has a small decrease in their tax revenue due to decrease in ad valorem. The Library did not request an increase in their allotment. Alderman Dalgo stated he was contacted by the Library and requested that the City install diaper changing stations in both restrooms at the library.

The City was awarded the HIDTA grant which pays for overtime and a vehicle for a police officer. She stated there is one more payment due for debt service from this seizure fund. She budgeted \$50,000 but anticipates \$175,000-\$200,000. She explained she did not know when these funds would come in but will present the City with a budget amendment upon receipt of these funds.

The City reserve account has a balance of \$954,277.00.

The Fire Protection fund (fire rebate fund) pays for new fire trucks, turn out gear, travel and training. The City will make the last payment in December on one of our trucks, therefore, the Fire Chief requested to purchase another truck since one of our trucks has hit the 20 year mark. This rebate money will cover this new truck and the first payment would not be due for another year. The Fire Chief will begin his research in January, 2016, and anticipates coming before the Board for approval.

The City Clerk explained the City incurred debt for the Mary C. O'Keefe roof repair. We will have to increase the debt service by one mil to account for all of our debt. We do not have any debt rolling off any time soon. She explained the debt service has not increased in quite some time because the City had anticipated having to pay off the Katrina loan. Since the Katrina loan was forgiven, City was able to use those funds to offset an increase in debt service for approximately 3 years. The City will have to increase debts service by one mill at this time.

The garbage solid waste collections are doing very well with six (6) salaries being paid out of this account. In anticipation of having to possible purchase a new street sweeper, the ending balance reflects \$101,627. Our current street sweeper has undergone several repairs recently.

Alderman Denyer said he found that working on the budget this year was extremely easy because of the last year's Finance Committee's tough job of making all the necessary cuts that put the City in a better financial position. He feels the Board has been very diligent with the guidance of the past Finance Committee and following their recommendations.

Alderman Dalgo thanked the Fire Department for attending the budget meeting.

Alderman Gill stated he is very proud of all the departments that help run the City and thanked the Finance Committee for their hard work.

Motion was made by Alderman Denyer, seconded by Alderman Cody and unanimously carried to close the Public Hearing.

Motion was made by Alderman Gill, seconded by Alderman Cody and unanimously carried to recess until 6:00 p.m. on September 15, 2015.

The meeting ended at 7:18 p.m.

City Clerk

Mayor

AGENDA
MAYOR AND BOARD OF ALDERMEN
CITY OF OCEAN SPRINGS
RECESS MEETING
September 8, 2015 - 6:00 p.m.

- 1. CALL TO ORDER**
- 2. ROLL CALL**
- 3. PUBLIC HEARING**
 - a) Proposed Budget for FY15-16