

SPECIAL CALL MEETING AUGUST 30, 2016

Be it remembered that the Mayor and Board of Aldermen of the City of Ocean Springs met in a Special Call Meeting at City Hall in the City of Ocean Springs at 5:30 p.m. on August 30, 2016. Mayor Moran presiding, Aldermen Cox, Gill, McDonnell, Cody, Dalgo and Impey were present. Also present was City Clerk Shelly Ferguson and City Attorney Kevin Melchi. Alderman Denyer joined the meeting at 5:46 p.m.

The Mayor called the meeting to order.

The Special Call Meeting is for the purpose of any and all matters pertaining to the Public Hearing for the FY16-17 Proposed Budget.

The Mayor thanked the City Clerk and her staff, the Department Heads and 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 FY16-17 budget.

The City Clerk gave a summary of the proposed budget for FY16-17. The Operating Budget for the departments did not change. The city started the FY15-16 with a beginning balance of \$1 million and we are ending with a balance of \$600,000.00. The city committed \$400,000.00 to Capital Projects and Machinery and Equipment in this current budget year. The proposed ending balance for the next fiscal year is \$251,500.00. The ad valorem increased by \$242,000.00 due to the (4) four year reassessment. Building permits are up \$10,000.00. Liquor tax is up \$4,000.00. Sales tax revenue is up \$40,000. The City is closing out Evergreen Cemetery plot sales which brought in \$600,000.00 over the last few years. Taconi's lease has been added to the budget. She reported the City is still waiting on Hurricane Isaac funds which are included in the budget. If the funds are not received by September 30, 2016, there will be a reduction in our beginning balance.

The City Clerk presented the list of the departmental capital requests.

The City Clerk explained some of the expenses listed in the FY16-17 budget. The aldermen added \$3000.00 to their Travel & Training line item for the aldermen who want to attend Mississippi Municipal League Legislative Reception or any conferences they may want to attend during the year.

An allotment of \$20,000.00 was added to the budget for the Municipal Election to be held in June 2017.

The City Clerk's department proposed budget reflects an \$86,000.00 allotment to Machinery and Equipment to replace (8) eight servers and software city wide. It also includes a camera system for all of the buildings in the City Hall complex.

Human Resources' Building Insurance line item decreased to \$215,000.00 and additional funds were added to Physical Exams and Testing for the Fire Chief to have physicals done on the fire department employees which have not been done in several years.

The Planning and Building Departments budget is being separated. The Planning Department's Transit System expense increased to \$60,000.00. In the Building Department budget, \$20,000.00 was put in the Tree Removal and Maintenance line item again this year. A \$45,000.00 allotment was added to Improvements to Building for an expansion to the current Building and Planning Building.

The Police Department added \$10,000.00 for a traffic counter with trailer to record data for traffic studies.

The Fire Department added additional funds to Machinery and Equipment for some items needed at the station.

Public Works added (6) six summer grass cutters for (2) two months each for a total of \$52,800.00. \$30,000.00 was added to Machinery and Equipment. The Landscaping Budget was increased by \$2000.00. The Drainage Department increased their drainage by \$50,000.00 to make it \$200,000.00.

The Parks Department added a line item for Fireworks in the amount of \$12,000.00. Alderman Gill asked Alderman Denyer to update him on the reduced quote from Bailey Lumber for the Fort Bayou Pier Repairs. Alderman Denyer stated the quote from Bailey Lumber for the treated lumber and brackets came to \$2400.00. Mr. Denyer also stated that if the Parks Maintenance and Public Works Maintenance employees work on replacing the boards a little at a time we should be able to do this project for \$5000.00. The Parks budget for Machinery and Equipment, Park Improvements, Improvements to Building and Improvements other than Buildings line items total \$39,500.00, as requested, for benches and water fountains, and other equipment.

The Mary C. O'Keefe Cultural Center's contractual services line item increased from \$20,000.00 to \$25,000.00 as recommended by the finance committee for operating expenses. Mary C. O'Keefe improvements to building budget of \$25,000.00 is the balance left from the roof repair loan. The remaining funds will be used for additional interior and exterior repairs needed at the Mary C. O'Keefe Building.

The City's match funds in the amount of \$50,000.00 for the Porter Avenue Sidewalk Project has been added to the budget. The City's match for the Government Street Sidewalk Project in the amount of \$130,000.00 has also been added.

The City Clerk reports the changes requested for the Payroll budget. The City's health insurance increased by \$124,000.00. The finance committee recommends the city does not pass this increase to the employees. The projected balance for the split funding account this year is \$69,000.00. A recommendation was made to commit \$10,000.00 to the YMCA for employee memberships again this year. A request for a \$10,000.00 allotment was requested to try a new program called Tell-A-Doc. Alderman Cox requests to have a discussion about this program before the meeting is adjourned.

The City Clerk reports the Special Funds Revenue for the Food and Beverage line item has increased by \$45,000.00. Last year \$40,000.00 was moved from the Food and Beverage Tax fund to the General fund to cover the cost of overtime for festivals. This year the City Clerk is recommending to move \$50,000.00.

The City has allocated \$25,000.00 to the Chamber for restaurant and lounge tourism promotion. The Chamber of Commerce took in \$36,000.00 this year in tourism tax, \$25,000.00 is what they normally bring in. The City's tourism tax has increased that much. Alderman McDonnell asked if there is any way to track VRBO. The City Clerk stated the tax commission will not give her specific businesses or groups but they will give her industry but will not break it down. Alderman McDonnell requested the City Clerk ask the tax commission if they will give the number of the VRBO as an industry. Alderman Cox asked if we continue to roll the entire amount over to the Chamber or do we need to place a cap on the amount and have the remainder come back to the City for needs of the City for festivals. Alderman McDonnell suggests to keep some of the overages in hotel tax for the increased expense in the operating costs for festivals. Alderman Cody requests before any changes are made that the City meet with the Chamber of Commerce and discuss the possibility of splitting the difference of the additional funds received.

The Highway 57 Sports Complex was allotted \$300,000.00 last year and only \$129,000.00 has been spent. The remainder will be rolled over to allocate \$300,000.00 again next year and if additional funds are needed it will come back to the Board for approval.

The Police Department is requesting \$10,000.00 for a new ID maker and door system that was originally installed and needs to be replaced.

The Fire Department has requested a new Fire Pump for the gator for working festivals downtown in the amount of \$6000.00.

The Debt Service for our bond is \$894,597.00 and will leave an anticipated ending balance of \$273,000.00 next year in the Food and Beverage Tax fund.

The Seizures Fund has received \$290,238.00 this year. The department purchased items including vehicles, new fingerprint machine, training, and new servers. We have

budgeted \$50,000.00 for next year because we cannot anticipate how much will be received. No money will be spent from this account until money is received.

The Reserve Fund budget is \$900,527.00.

The Fire Rebate Fund was withheld by the legislature but then reallocated. If the funds are received in FY 16-17 the Fire Department would like to purchase a new fire truck and turn out gear with the funds.

The Debt Service Fund millage has gone up \$44,671.00 due to reassessments. The City Clerk presented a (5) five year projection of the debt service fund with proposed vehicles at the current rate and no inflation added. The departments have requested to purchase (4) four patrol cars, (4) four motorcycles, (3) three parks maintenance trucks and (2) two fire department trucks. Our current debt service funds will sustain this purchase without raising the millage and allow extra for an emergency or loan we may need. Alderman Dalgo is requesting an additional \$20,000.00 to \$25,000.00 for the library with some of these extra funds or if any retiring debt service allows. The library needs some bathroom repairs and interior and exterior painting. The City Clerk states that we do not have any retiring debt until 2020.

The City Clerk reports that the Library ad valorem taxes increased \$16,000.00 this year. The City currently gives the library \$135,000.00 annually for operating expenses and the remainder goes toward building insurance and building maintenance.

The Mayor left the meeting and the *Mayor Pro Tem* assumes control of the meeting.

The City Clerk reported that the City paid Compton Engineering \$194,000.00 and the City Attorney \$287,000.00 this year. The City's current millage is worth \$182,416.00 and the School District millage is worth \$266,996.00.

Alderman Cox stated the Medical Analysis Clinic is successful with the school district. He is requesting to have all of the numbers run to see what the differences are between Medical Analysis versus Tell-A-Doc. Alderman Cox stated Medical Analysis will do physicals and drug testing. We would be able to eliminate the budget line item of \$18,000.00 for these tests. There may be a reduction in fewer Blue Cross Blue Shield claims and a reduction in our insurance premiums.

The City Clerk reported the water revenue fund includes our annual 3% increase. On the expense side the water billing department is getting a new employee that is transferring from the Public Works department. The City has spent \$44,000.00 already this year in meter replacements. The proposed budget for next year for water meter replacements is \$50,000.00. There is an increase in the revenue side with the replacement of the

meters. The City's debt service for the water utility fund is \$423,806.00 and there are no retiring debt in this account. The transfer amount to the general fund of \$200,000.00 which is the same as last year. The ending balance this year is \$900,000.00 between the (2) two funds.

The City Clerk stated she just learned that public works needs \$40,000.00 for a Feasibility Study for the 1.2 million dollar loan we are requesting for the water tank and lift station repairs. The City Engineer stated \$100,000.00 is the amount of the funds required prior to February 2017 for water tank repairs in order to maintain the City's five star water rating. The City Clerk stated the (2) two options for repayment of the 1.2 million dollar loan are to raise the water and sewer rates or reduce the expense budget for the next fiscal year.

Alderman John Gill left the meeting.

The Sewer fund expense includes the 3% increase. The City has not been reimbursed the \$600,000.00 for Section 592 Sewer Rehab at this time. If the funds are not received before September 30th the budget will show a large deficit; therefore, it will reflect in the ending balance for this fund. Any of the Funds not spent in the Section 592 Sewer Rehab line item will roll over to next year's budget. The City did not receive a price increase from JCUA this year.

The City Clerk explained the expenditures from the garbage collection fund. There are personnel expenditures, WastePro, fuel, general repairs, and uniforms.

Alderman Cody stated that WastePro will do the recycling for the school at no charge.

Alderman Cody asked about the options of the street sweeper. Alderman Cody states that WastePro is willing to allow us to use the street sweeper for (2) two years at no cost to the city.

Alderman McDonnell wants to clarify that the 3 pay periods in September are for all full and part time employees and not for any elected officials.

Motion made by Alderman Dalgo, seconded by Alderman Cody and unanimously carried to adjourn the Special Call Meeting.

Meeting ended at 7:03 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 **5:30 p.m., Tuesday, August 30, 2016.**

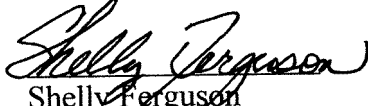
THE OBJECT OF THE MEETING IS AS FOLLOWS:

Any and all matters pertaining to:

- a) FY16-17 Proposed Budget


Connie Moran, Mayor

ATTEST:


Shelly Ferguson
City Clerk