



**BUDGET WORKSHOP MEETING  
JULY 16, 2002, AT 6:00 P.M.  
CITY HALL, 116 FIRST STREET,  
NEPTUNE BEACH, FLORIDA**

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Pursuant to proper notice a Budget Workshop Meeting of the City Council of the City of Neptune Beach was held July 16, 2002 at 6:00 p.m., in the Council Chambers, City Hall, 116 First Street, Neptune Beach, Florida.

Attendance:

IN ATTENDANCE:

Mayor Richard A. Brown  
Vice Mayor Robert D. Shimp  
Councilor James Gilbert  
Councilor Ronald D. Patronik  
Councilor Harriet M. Pruette  
City Manager Richard A. Linn  
City Clerk Lisa Volpe, CMC

Director of Finance Steve Ramsey  
Director of Public Services Leon Smith  
Building Official Dan Arlington  
Deputy City Clerk Karla Strait, CMC

Absent:  
City Attorney Christopher White

Call to Order/Roll Call

The Mayor called the meeting to order at 6:00 p.m.

City Manager Linn explained the budget sets the level of service the city is able to provide with the amount of money available. It is also the authorization for the administrative staff to spend money. He stated the staff came up with \$92,920 of cuts from the last budget meeting. He highlighted the larger cuts from each department.

City Manager's office	\$2,100 for a new computer
Finance Department	\$3,500 for computer equipment
Community Development	\$12,000 for professional services
Officer Larry Dean would be taking over more of the Code Enforcement duties.	
City Clerk's office	\$10,000 for imaging services
Non Departmental	\$3,300 for copier lease
Police Department	\$3,000 trade in values for old police cars
Animal Control	various smaller cuts
Street Department	\$12,000 for a chipper
Parks Department	\$22,000 for a new truck

Millage Rate

City Manager Linn explained the Millage Rate chart that was in the packet. The City of Neptune Beach has reduced their rate by 37% since 1992. The City of Jacksonville has reduced the rate by 25%. The School Board has reduced by 9%. The total tax has been reduced by 24%. The City has done the most reduction throughout the years.

## Millage/budget scenarios

The City Manager explained the three scenarios the council could take. Scenario 1 would be to maintain the tax rate of 2.6400 and use \$349,669 of reserves. Scenario 2 would be to have a rate of 3.4675 to balance the budget with using any reserves. And the final would be a combination of a rate of 2.9808 using \$205,679 of reserves. He commented that if you take the 3.4675 rate on a \$100,000 home the increase would be \$82.75 a month or \$6.89 a month.

## Discussion

Vice Mayor Shimp asked how much extra money the city would need with out going into the reserves/contingencies. Mr. Linn stated that with the 3.4675 rate would allow a budget with out going into any reserves with a \$100,000 contingency.

Vice Mayor Shimp asked if it were reasonable for the city to raise the millage rate from 2.6400 to 3.5 in one year. Mr. Linn commented this is a 1997 rate.

Council Patronik asked if this budget included the same level of service. City Manager Linn stated yes except for the elimination of Leon Smith's old job with his promotion to Public Services Director. Councilor Patronik felt only travel, education, overtime and repairs are the only discretionary areas.

City Manager Linn suggested setting the Not to Exceed Rate at the highest rate and then listening to the public's reaction before setting the final budget in September.

Councilor Pruette felt that it was depended on if you were on a fixed income whether a higher millage rate would hurt you.

Mayor Brown was concerned that it would be irresponsible to roll back yet again and let the reserves dwindle to nothing.

Vice Mayor Shimp stated he felt the best idea for the future would be to allow staff to set the not to exceed rate and if citizens complained when they received their proposed tax bill the Council could let them know that was a staff recommendation. Council could then decide what to set the final rate on based on the budget and public opinion. Other cities at the beaches already had this practice.

Councilor Patronik felt it was a good idea for staff to set the not to exceed millage. He thought the council should set the rate at the amount to balance the budget and then try to lower it as much as possible by seeing what could be cut.

Mayor Brown agreed with the balancing the budget not to exceed rate. Everyone agreed that services should remain the same while working on the budget and possible cuts.

Councilor Pruette questioned how much the city saved with eliminating the Fire Department. City Manager Linn stated the funding of the Volunteer Fire Department for the last year in 1998 was \$101,436. The Fire Marshal and Code Enforcement Officer's salaries were included in that budget. Those salaries are still in the budget today under different departments. He commented the Fire Department annual budget excluding salaries was roughly \$10,000. Vice Mayor Shimp stated the Volunteer Fire Department was eliminated to avoid paying Police Officers overtime. City Manager Linn stated \$150,000 of equipment would have needed to be replaced to continue the Volunteer Fire Department.

Councilor Pruette asked why there was a 900% increase in a line item. City Manager Linn stated it was to pay his assistant overtime for assisting him at the Council meetings. She asked about the 127% increase in communication services for the Police Department. Officer Larry Dean explained it was for new lines necessary for the upgraded 800-megahertz radio system.

Councilor Gilbert felt staff could cut the budget even more. He also agreed that staff could set the not to exceed millage rate and Council should set the rate this year set at 3.5. He felt the Council should be more pro active balancing the budget.

Councilor Gilbert felt if Code Enforcement were pro active it would provide the City more revenue. Councilor Pruette felt Animal Control Citations and Code Enforcement for weed cutting should be larger. Discussion ensued over Code Enforcement.

Councilor Pruette asked the City Manager and Finance Director to give a report in January on how the city could save money. Finance Director Steve Ramsey stated he would give quarterly updates to the Council on how the budget was. Councilor Patronik asked if there were better ways to do business, i.e.: suggestion boxes for employees. City Manager Linn stated there is a program set up for employee to be recognized for saving money.

Mayor Brown stated some budget items could be put off but none were totally unnecessary. Every budget should have some contingency. City Manager Linn stated the city has been working on replacing fire hydrants, repairing water lines and renegotiating the garbage contract.

Consensus: **TO SET THE "NOT TO EXCEED MILLAGE RATE" AT 3.5.**

Finance Director Ramsey stated they could set one last budget workshop at the first meeting in August. Council thanked Mr. Ramsey for his good work.

Adjournment

There being no further business, the meeting adjourned at 7:15 p.m.

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Richard A. Brown, Mayor

ATTEST:

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Lisa Volpe, CMC, City Clerk

Approved: \_\_\_\_\_