



**SPECIAL CITY COUNCIL MEETING
SEPTEMBER 5, 2002, AT 6:00 P.M.
CITY HALL, 116 FIRST STREET,
NEPTUNE BEACH, FLORIDA**

Pursuant to proper notice a Special City Council Meeting of the City Council of the City of Neptune Beach was held September 5, 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
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.

DISCUSSION

Mayor Brown opened the meeting and commented the Council had been over the budget and made a number of changes. He explained since residents had received the proposed tax bill the "not to exceed millage rate" had been reduced to 3.2 mils. He added that over the last ten years the City had done a great job in rolling back the millage rate. The cost of running the city had significantly increased, with salaries, health insurance, etc. In order to continue serving the city without cutting services or going into the reserve fund, the millage rate would need to be increased.

City Manager Linn felt the City offered excellent service to the citizens and did not want to see a reduction in service. There was a motion made last year to set the rate at 3.2 however, it died for lack of a second. If it had been approved we would not be using reserves funds of \$300,000 to balance out the fiscal year. He was anxious to hear the comments from the public.

Finance Director Steve Ramsey stated the proposed budget was fully funded based on a millage rate of 3.2 without using reserve funds.

Senior Homestead

Vice Mayor Shimp asked about a special homestead exemption for senior citizens. City Manager Linn replied there was a special homestead exemption available for senior citizens of \$25,000 already in effect.

Councilor Patronik suggested eliminating the full time animal control officer position and creating a full time building inspector position in the Building Department. He felt this would save the City money. He also suggested the city cancel the landscape maintenance agreement with Florida Department of Transportation for the Mayport Flyover and have the city employees' cease providing maintenance on the First Street right-of-ways and maintain the landscaping of the Mayport Flyover instead.

Councilor Pruette questioned the amount of money that would be saved by having city employees stop maintaining the right-of-ways on First Street. City Manager Linn stated he was not sure how often the First Street right-of-ways were trimmed. He would have to get the answer from the Director of Public Services Leon Smith.

Councilor Gilbert apologized for missing the last budget meeting due to an illness. He felt it would be more prudent to gradually increase the millage rate. He stated a millage rate of 3.0 instead of 3.2 with an \$84,000 shortfall would be a step in the right direction.

Councilor Pruette questioned what the property values were based on. Finance Director Steve Ramsey responded he based the property values on the assessment provided by the Duval County's Property Appraiser's Office.

Councilor Pruette was not comfortable with a millage rate of 3.2 or 3.0. She added the new stormwater fees would bring in \$100,000 of extra revenue. She did not want to set the millage rate over 2.86.

Vice Mayor Shimp stated last year Council held the City to a very tight budget with the understanding that at the end of the year they would know how well the City was run and if taxes needed to be increased. By holding the City to such a tight budget there was a need to go into the reserves. Therefore, he felt an increase in the millage rate was needed.

City Manager Linn stated the reserve fund was intended to be reserved for disaster recovery not to balance the budget.

Councilor Pruette asked City Manager Linn why the City continued to spend money on things that were not needed like the new wallpaper in the Council Chambers. City Manager Linn replied the wallpaper in the Council Chambers had been budgeted for the past three years and the City received an excellent offer on it. Mr. Linn explained the budget that was passed called for a deficit spending. Councilor Pruette stated the City should not spend money on things that were not necessary.

Vice Mayor Shimp stated the Council knew the City would be going into reserves when the budget was passed. What was stipulated was that any spending requiring the use of reserve funds had to be approved by the Council.

Ord. No. 2002-08

ORDINANCE NO. 2002-08, FIRST READ AND PUBLIC HEARING: AN ORDINANCE OF THE CITY OF NEPTUNE BEACH, FLORIDA, ADOPTING FINAL MILLAGE RATES AND LEVYING AD VALOREM TAXES FOR THE FISCAL YEAR BEGINNING OCTOBER 1, 2002, AND ENDING SEPTMBER 30, 2003; SETTING FORTH CERTAIN INFORMATION REGARDING "ROLLED BACK RATES"; DIRECTING THE CITY MANAGER TO ADJUST THE ADOPTED MILLAGE RATES IN THE EVENT OF CHANGES IN THE ASSESSMENT ROLL AND TAXABLE VALUE; PROVIDING AN EFFECTIVE DATE.

Mayor Brown read Ordinance No. 2002-08 by title only and opened the public hearing.

Hayes Bishop, 1443 Spindrifft Circler East, stated her monthly obligations had increased and her pension had decreased. She was on a fixed income and opposed increasing the millage rate.

Michael Aston, 1523 Summer Sands Drive, explained how his property value had increased. He felt with the increase in property values and the millage rate the City's income would be sufficiently more. He opposed increasing the millage rate to 3.2.

Marsha Holton, 1503 Spindrift Circle West, asked what the citizens were getting for the 35% increase in taxes. She asked for a copy of the budget.

Cathleen Maiden, Summer Sands, asked if there were any salary increases for employees in the past five years, specifically the management. Finance Director Steve Ramsey replied the union contract that was signed last year gave a 5% increase for employees. Vice Mayor Shimp responded in order to keep the good management employees from leaving, their salaries were brought up to standards with the Florida League of Cities salary survey.

Margaret Rush, 417 Penman Road, stated the assessment had increased 20% and taxes had increased 40% on her rental house on Penman Road that was part of her retirement income.

Phyllis Benner, 244 Wind Swept Circle, asked if the seniors had to be 65 years of age to get the additional homestead exemption and what the maximum income level was. City Manager Linn responded he knew the age requirement was 65 and was not sure what the income level was. With the property value increase and a millage rate of 3.5 would be a 42% tax increase on her property.

Charlie Miller, 512 South Street, stated there was no such thing as a professional Mayor or Council Member and the Council should listen to the staff because they were the experts that were hired to advise them. He had confidence in the city staff and felt the Council should listen to them.

There being no further comments from the public the public hearing was closed.

Councilor Patronik asked if the \$100,000 contingency budget could be lowered to \$75,000.

Vice Mayor Shimp suggested lowering the millage rate to 3.0. and have the employees come back with suggestions from tonight's discussion.

Councilor Patronik felt the budget could be cut maybe to 2.9.

Councilor Pruette suggested saving \$58,632 by cutting 2 vehicles and 2 defibulators from the police department budget. She asked what percentages were allotted for salary increases and if there was room to cut 1%. She asked how much that would save.

Vice Mayor Shimp felt cutting out the defibulators and police vehicles would be taking away health and welfare from the citizens in case of an emergency. He did not want to cut back the services. He added salary increases were required by union contract and could not be decreased. He stated the budget had been cut as much as possible.

Moved by Gilbert, seconded by Pruette.

Motion: **AMEND ORDINANCE 2002-08 LOWERING THE MILLAGE RATE TO 2.9.**

Roll Call Vote:

Ayes: 5 – Gilbert, Patronik, Pruette, Shimp, Brown

Noes: 0

MOTION CARRIED

Moved by Patronik, seconded by Shimp.

Motion: **TO PASS ORDINANCE NO. 2002-08 AS AMENDED ON FIRST READ AND PUBLIC HEARING.**

Roll Call Vote:

Ayes: 5 – Gilbert, Patronik, Pruette, Shimp, Brown

Noes: 0

MOTION CARRIED

Ord. No. 2002-09

ORDINANCE NO. 2002-09, FIRST READ AND PUBLIC HEARING: AN ORDINANCE OF THE CITY OF NEPTUNE BEACH, FLORIDA, ADOPTING A FINAL BUDGET AND APPROPRIATING FUNDS FOR THE FISCAL YEAR BEGINNING OCTOBER 1, 2002, AND ENDING SEPTEMBER 30, 2003; PROVIDING AN EFFECTIVE DATE.

City Manager Linn stated an amendment would be necessary to Section 1-A to change the 3.2 millage rate to 2.9.

Moved by Shimp, seconded by Gilbert.

Motion: **TO AMEND SECTION 1-A OF ORDINANCE 2002-08 CHANGING THE MILLAGE RATE FROM 3.2 TO 2.9.**

Roll Call Vote:

Ayes: 5 – Gilbert, Patronik, Pruette, Shimp, Brown

Noes: 0

MOTION CARRIED

City Manager Linn stated Section 3-A needed to be amended to read 18.64.

Moved by Shimp, seconded by Patronik.

Motion: **TO AMEND SECTION 3-A OF ORDINANCE 2002-08 TO READ 18.64.**

Roll Call Vote:

Ayes: 5 – Gilbert, Patronik, Pruette, Shimp, Brown

Noes: 0

MOTION CARRIED

Mayor Brown read Ordinance No. 2002-09 by title only and opened the public hearing.

Michael Aston, 1523 Summer Sands Drive, asked if there was any other way the city could bring in income. City Manager Linn described what the city had done to increase revenues in the last year.

There being no comments from the public the public hearing was closed.

Finance Director Steve Ramsey asked the Council if they wanted to stop the process and go back to first read. Councilor Pruette wanted Mr. Ramsey to address the Council on how much money the City could save with the suggested changes and amendments. Councilor Patronik stated the best thing to do was to adjust the reserves to accommodate the budget and adjust the expenditures at a later date.

Moved by Patronik, seconded by Shimp.

Motion: **TO ADJUST THE BUDGET TO DRAW THE MONEY FROM THE RESERVES INSTEAD OF REVENUES FROM THE MILLAGE RATE.**

Roll Call Vote:

Ayes: 5 – Gilbert, Patronik, Pruette, Shimp, Brown
Noes: 0

MOTION CARRIED

Moved by Gilbert, seconded by Shimp.

Motion: **TO PASS ORDINANCE NO. 2002-09 AS AMENDED ON FIRST READ AND PUBLIC HEARING.**

Roll Call Vote:

Ayes: 5 – Gilbert, Patronik, Pruette, Shimp, Brown
Noes: 0

MOTION CARRIED

Ord. No. 2002-10

ORDINANCE NO. 2002-10, FIRST READ AND PUBLIC HEARING: AN ORDINANCE AMENDING THE OPERATING BUDGET FOR THE CITY OF NEPTUNE BEACH, FLORIDA FOR FISCAL YEAR, BEGINNING OCTOBER 1, 2001 AND ENDING SEPTEMBER 30, 2002.

Finance Director Steve Ramsey stated the City was required by state statute to fund the police pension at certain levels.

Mayor Brown read Ordinance No. 2002-10 by title only and opened the public hearing.

Cathleen Maiden, Summer Sands, asked if it was a state, city or county fund. Mr. Ramsey replied it was a city fund.

There being no further comments from the public the public hearing was closed.

Moved by Shimp, seconded by Patronik.

Motion: **TO PASS ORDINANCE NO. 2002-10 ON FIRST READ AND PUBLIC HEARING.**

Roll Call Vote:

Ayes: 5 – Gilbert, Patronik, Pruette, Shimp, Brown
Noes: 0

MOTION CARRIED

Adjournment

There being no further business, the meeting adjourned at 7:20 p.m.

Richard A. Brown, Mayor

ATTEST:

Lisa Volpe, CMC, City Clerk

Approved: _____

