

MINUTES OF THE WORKSHOP MEETING OF THE BOARD OF CITY COMMISSIONERS FOR THE CITY OF PORT ST. JOE, FLORIDA, HELD IN THE COMMISSION CHAMBERS AT CITY HALL, July 28, 2011 AT 5:00 P.M.

The following were present: Mayor Magidson, Commissioners Gingell, Patterson and Buzzett. City Manager Charlie Weston, Attorney Tom Gibson and City Clerk Jim Anderson were also present. Commissioner Kennedy was absent.

Gulf Pines Hospital:

Attorney Gibson indicated that the Gulf Pines Receiver agreed to pay for a Phase I Environmental Study of the property. The City has 60 days from the date the study is complete to make a decision on the lawsuit which was July 1, 2011. The estimated cost for demolition is approx. \$100K plus the removal of asbestos as found in the study. Grant Funding is nonexistent due to finding only asbestos in the study. The City needs to decide A) Do we take possession of the property and continue to look at our options. We think seven or eight residential lots are possible to offset the cost. B) Walk away from it. The IRS could sell it and we could be dealing with it in the future as a land use change.

Mayor Magidson asked if the City Engineer has any concept of the cost for demolition.

Philip Jones responded, "No, but I will work on it."

Attorney Gibson noted that the property is zoned Public and consist of 2.2 acres.

George Duren who lives across from the hospital site noted that the site directly affects twenty homes and indirectly affects twenty more.

Commissioner Buzzett suggested that we have the City Engineer review the parcel to determine the number of half acre lots that can be created.

Mr. Duren would like for the property to become a park or low density residential.

Mayor Magidson noted that we need to determine the cost and the revenue the property may generate.

Mr. Duren indicated that the property will need to be unique in today's market to sell.

Commissioner Gingell asked, "What kind of timeline are we looking at?"

Attorney Gibson responded, "We would encourage the IRS to lien the property and accept payment for the outstanding tax debt as the City sells the lots."

Mayor Magidson indicated that we need to take action by the 2nd meeting in August.

2011/2012 Budget:

Mr. Weston gave the Commission a general overview of the proposed 2011-2012 budget. He highlighted significant events that have taken place over the last few years in the City that will impact the proposed budget.

- No change in the millage over the past four years.
- Operating expenses have been cut 19% since 2008.
- Personnel expenses have been cut 25% since 2008.
- The City has received a 72% forgiveness loan for the Headworks & Sprayfield project. We are working the same process for the Water Distribution System.
- 253 new customers have been added to the Cape Sewer Line as part of the Barrier Dunes/Seacliffs extension for \$180K.
- We are looking to sell excess property and have filed a BP Claim.
- We need to review our Insurance coverage, but we are waiting on quotes.
- The City has seen a reduction in property values.
- This would be the fourth year in a row with no COLA for the employees.
- We would like to hire a Utility Supervisor to help with customer service.
- The new Sprayfield will require additional staff.
- We would like to increase the hours of our Coe Enforcement Officer from two days a week to three.

- Currently \$70,871.85 is being escrowed monthly for debt service with Regions Bank.

Commissioner Buzzett would like to balance the budget without an increase in Utility Rates. When we voted on the ordinance for the new Utility Rates, we agreed that when the City finds financial stability we would look at not raising the Utility Rates each year.

Mike Lacour indicated that the rate increase set to begin October 1, 2011, equates to approx. \$350K in money for the Enterprise Funds. We would need to go back and update our numbers based on the last eight months since the rate study.

Mr. Weston noted that we all would like to get to a point to where we can give relief on the Utility Rates. The issue is we haven't gotten at one year under the new rates to review.

Ralph Roberson feels that it's encumbered upon the Commission to look at the rates.

Mayor Magidson noted that we need to look at the rates. With the continuing water problem, we have some serious issues.

Mr. Roberson would like the process to include increment options for a rate increase.

Mr. Weston noted that we may have to pay Burton & Associates to come back and review our options. He wants to be cautious with our financials.

Mr. Weston also indicated that on the wish list is a Utility Supervisor. We need someone who can help with trouble shooting of accounts and additional support for customer service.

Commissioner Buzzett is having a hard time wrapping his arms around this position. We may just have to do more with less and give it a little more time.

Commissioner Patterson asked, "What will one additional day of Code Enforcement do for the City?"

Commissioner Gingell indicated that it will help with the health and safety of trash issues.

Mr. Weston indicated that Code Enforcement requires a lot of paperwork.

Commissioner Gingell noted that the County agreed in principal to amending the Interlocal Agreement. She also asked, "Is the Chamber of Commerce and the EDC now the same entity?" We are paying twice for the same services in the City.

Mayor Magidson asked, "Where are we with the amended Interlocal Agreement?"

Attorney Gibson indicated that the last time he talked with the County Attorney Jeremy Novak, the only issue was keeping the County and City Utility Rates the same.

Mayor Magidson noted that it's time to meet with the County again.

Mr. Weston indicated that staff proposes that we set our tentative millage rate $\frac{1}{2}$ mill higher than our current rate of 3.5914 to give ourselves flex in the proposed budget.

Mayor Magidson indicated that the consensus during last year's budget process was that we can't raise the millage and utility rates until we get our water quality issues under control. If BP funds are received this year it could help. We also need to find additional funding from the PSJRA.

The workshop was adjourned at 6:40 P.M.

Approved this 6th day of September 2011.



Mayor Magidson



Jim Anderson, City Clerk