

**MINUTES
SPECIAL COUNCIL MEETING
CITY OF HOLLY HILL, FLORIDA
SEPTEMBER 14, 1994**

1. CALL TO ORDER

Mayor Virginia Wine called the meeting to order in Council Chambers at City Hall, 1065 Ridgewood Avenue at 7:30 p.m.

Answering roll call were Mayor Wine, Councilman Arthur Byrnes, Councilman J. D. Mellette, and Councilman Jim Elliott. Councilman Shirley Heyman was excused.

Also, attending were City Manager Ralph Hester and Deputy City Clerk Sue W. Blackwell.

2. AUDIENCE PARTICIPATION

None.

3. PUBLIC HEARING ON RESOLUTION ADOPTING A TENTATIVE MILLAGE RATE FOR THE YEAR BEGINNING OCTOBER 1, 1994

City Manager Hester read:

**RESOLUTION NO. 94-R-42
A RESOLUTION OF THE CITY OF HOLLY HILL, FLORIDA,
ADOPTING A TENTATIVE MILLAGE RATE FOR THE YEAR
BEGINNING OCTOBER 1, 1994 FOR THE CITY OF HOLLY
HILL, FLORIDA**

WHEREAS, the City Council of the City of Holly Hill, Florida is required by Florida Statute 200.011 to certify to the County Property Appraiser the general municipal millage rate established by said Council for the tax year beginning October 1, 1994; and

WHEREAS, the City Council of the City of Holly Hill, Florida, pursuant to Florida Statute 200.065, the TRIM BILL, is required to

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adopt a tentative budget and a proposed millage rate, said proposed millage rate exceeding the rolled back rate by 1.2%; and

WHEREAS, the City Council of the City of Holly Hill, Florida, is desirous of adopting a tentative millage rate, having given proper notice of both a proposed 1.2% tax increase and the public hearing held with respect to same; and

NOW, THEREFORE, BE IT RESOLVED BY THE CITY COUNCIL OF THE CITY OF HOLLY HILL, FLORIDA:

Section 1. That the tentative millage rate adopted by the City Council of the City of Holly Hill, Florida, for the tax year beginning October 1, 1994 is 5.4695 (\$5.4695 per \$1,000.00); said tentative millage rate exceeding the rolled back rate by 1.2% which shall be the percentage increase in property taxes.

Section 2. That all resolutions made in conflict with this Resolution are hereby repealed.

Section 3. That this Resolution shall become effective immediately upon its adoption.

The within and foregoing Resolution was read before the City Council of the City of Holly Hill, Florida, at its Special Meeting held in Council Chambers at City Hall, 1065 Ridgewood Avenue, Holly Hill, Florida, on the 14th day of September, A.D. 1994.

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It was moved by Councilman _____ and
seconded by Councilman _____ that said
Resolution be adopted. A roll call vote of the Council on said motion
of the Resolution resulted as follows:

Mayor Virginia Wine	_____
Councilman Arthur Byrnes	_____
Councilman J. D. Mellette	_____
Councilman Shirley Heyman	_____
Councilman Jim Elliott	_____

WHEREAS, the Mayor of the City of Holly Hill, Florida, has
hereunto set her official signature, duly authorized by the City
Clerk, and has caused the official seal of said City to be affixed,
all at the City Hall in the City of Holly Hill, this 14th day of
September, A.D. 1994, for the purpose of authenticity as is required
by law.

VIRGINIA WINE, MAYOR
CITY OF HOLLY HILL, FLORIDA

ATTEST:

CITY CLERK/MANAGER

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Mayor Wine asked for comments from the public. Mrs. Wilma Perdue said she wished to complain about the increase in her assessed valuation. Mayor Wine explained to her that the City did not have anything to do with that and told her she would need to see the Property Appraiser about an adjustment.

There were no further communications from the audience.

Councilman Mellette moved to ADOPT the resolution being seconded by Councilman Elliott. The motion CARRIED 4-0 on the following roll call:

Mellette, yes; Elliott, yes; Byrnes, yes; Wine, yes.

4. PUBLIC HEARING ON ORDINANCE NO. 2382 ADOPTING THE APPROPRIATIONS BUDGET FOR 1994-95

City Manager Hester read the ordinance by title as follows:

AN ORDINANCE AMENDING ORDINANCE NO. 2360, THE APPROPRIATIONS BUDGET FOR THE CITY OF HOLLY HILL, FLORIDA, FOR THE FISCAL YEAR OCTOBER 1, 1993, THROUGH SEPTEMBER 30, 1994, PROVIDING FOR THE REPEAL OF LAWS IN CONFLICT HEREWITH; PROVIDING FOR THE TERMS AND CONDITIONS THEREOF; AND PROVIDING WHEN THIS ORDINANCE SHALL TAKE EFFECT

Mayor Wine opened the public hearing and asked citizens for their comments or input on the matter of the proposed budget.

Mr. Paul Lockeby from the Chamber of Commerce addressed Council regarding their request for funding for \$12,000. Mayor Wine told him the City had budgeted \$3,500 for the Chamber. Councilman Byrnes explained the City had to eliminate six positions because of revenue shortfalls and that some of the associations requesting funding did not get any money from the City.

Mr. Lockeby said if they did not get enough money to run the Chamber, there won't be anybody there to operate the Chamber unless you can find volunteers who will work for free. He said he was looking to the Council to come up with some kind of solution to this problem. More discussion ensued and then Mr. Lockeby said they could make it on \$2,500 more or a total of \$6,000.

Mayor Wine said the City recently gave the Chamber \$3,500 to run them to the first of the year and with the money appropriated this year, which should carry the Chamber. Members of the Council were sympathetic to the request and said maybe there would be something later during the year.

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After Mayor Wine closed the public hearing, *Councilman Byrnes moved to APPROVE the ordinance on first reading, being seconded by Councilman Mellette.*

Councilman Byrnes said during the budget discussion, mention was made about the possibility of private operations of the Water and Wastewater plants. Council gave direction to determine if there were ways the City could save money without going to the private operations. Mr. Byrnes said he has not seen any feedback and wondered if Council will be getting more information.

Mr. Hester said he is trying to get quotes on a "quality performance report". He said a number of firms are interested in doing the work but not interested in giving him a figure for the report. They are engineering firms and they want to be hired and then bill according to their time. He said this will take time because this is something that is not normally done and could cost up to \$100,000. Mr. Hester said he should have some information for Council within the next 30 to 45 days.

Mayor Wine said during the budget sessions the City Manager reported a tentative savings of \$200,00 per year if the water and sewer plants were privatized. This would be maintaining the same employees. She said Council must look at paying off the bonds and the next thing is that something will have to be done about the water rates.

Councilman Byrnes said there isn't much a private firm can do differently from the City except lower the wages. If they are going to keep the same people employed by the City, then there must be some other way to save money and that is one of the things the City needs to look at.

Mr. Hester said they (PSG) give them (employees) an equal pension program but it is a 401K plan and not the Florida Retirement System. He said he is looking for ways to get out of that plan. Mr. Hester said people working for private firms tend to work harder and better than municipal employees. There are not three unions and a Civil Service System protecting them. They have to work or the bosses get rid of them.

Mayor Wine said if Mr. Byrnes had spoken to the individual who came and talked to some of the Council, he could have asked all these questions. She said they were not going to reduce the salaries and would keep the same employees. That firm had the ability to immediately go on a sixteen hour shift instead of twenty-four hour shift. They order chemicals by the train load because they have laboratories so they know how to do this.

Councilman Byrnes said if they can go to a sixteen hour shift, then the City should be able to do that same thing. That is the kind of information the City should be able to get. Mayor Wine said the City would not have known that if Mr. Hester had not asked them to come and check out our operation.

Mr. Hester said they are assuming they can do this based on their history of operations and their good working relationships with the state and federal agencies. He said he did not know that Holly Hill has

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had that good of a relationship over the years and we are not big enough to affect them in Tallahassee or Atlanta. What that firm said is that they could convince Tallahassee that they could run the operation on a sixteen hour shift. They have six other cities in Florida where they are running the water and sewer plants. This company is the largest in the United States. He said when Ormond Beach did an RFP, they received eleven proposals and this PSG firm was the top one. Mr. Hester said the man called him last week and said if they get the Ormond deal, we could save even more because they would not have to have a duplication of administration. In this geographic area, one office could cover both cities.

Councilman Byrnes said maybe Council needs a presentation on this because the presentation made by Mr. LaRue did not include some of the facts being given to Council now. Mr. Hester said he could get the gentleman from PSG to come and give a presentation if Council is interested. Mr. Byrnes said he wouldn't mind listening to him.

Councilman Elliott asked if this is the firm who spent days over there walking around. Mr. Hester answered in the affirmative and said they brought engineers in from Atlanta so the price wasn't just a ballpark figure. They saw things they could save on but they will not tell us because that is how they earn their living. Mr. Hester said some other firm would not give a quick assessment in a couple of hours as they have a tendency to bill \$80 to \$90 an hour plus multipliers.

Mayor Wine said they were talking about bringing up a 6% increase in the water rates and she did not think anyone could afford to pay that. Mr. Byrnes said he is getting requests from motel owners who feel like they are carrying the back of the City with their water rates because now they have to pay a minimum on every unit they have. He said he didn't want to see an increase. Mayor Wine reminded him the bond payments have to be made.

Mr. Hester said he would call the man tomorrow to see when he will be in the area next and if Council is amenable to a called meeting, we probably could get him make to a presentation for nothing as long as he is in the area. Councilman Byrnes said maybe he would be here at the next Council Meeting if he is given the date.

Mayor Wine said maybe we could have a Workshop.

Finance Director Brenda Gubernator reminded Council she used \$208,000 from the Water Reserve Account to balance the budget because a rate increase has not been approved yet. Mayor Wine said we are going to have to look at this. Mrs. Gubernator said she has asked our financial advisor to give her a cost and let us know how quickly they could do a rate study for the City. She said we won't have any information before the first of October so we would use cash reserves for the next couple of months. Mayor Wine said everyone realizes if you use reserves, the next thing you know is that you do not have anything left to draw from.

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Mayor Wine again said maybe Mr. Hester could schedule a workshop for this presentation. Mr. Hester agreed and said he had talked to the man to clarify how they do business and was told they lock in a price for three years. If they have estimated wrong, they eat the prices but they haven't done that. He said he would try to put something together.

Councilman Mellette asked what was their price record after the three years; did they go up very much. Mr. Hester said he has not looked into that because that would be premature since the City would have to do a request for proposals and this company might not be the one selected for further negotiations. Mayor Wine said we might do better since several cities are opening up to privatization here in Florida.

The motion CARRIED 4-0 on the following roll call:

Byrnes, yes; Mellette, yes; Elliott, yes; Wine, yes.

5. ADJOURNMENT

Councilman Byrnes said before the meeting is adjourned, he would like to have permission for the Beach Trust Commission to meet in Council Chambers on September 22, 1994. He said Holly Hill hosts the meeting once a year and would like for the members to see the new Council Chambers. Council agreed. Mr. Byrnes invited everyone to attend and thanked Council for their consideration.

There was no further business to come before the Council so the meeting was adjourned at 8:10 p.m.

Mayor

ATTEST:

City Clerk/Manager