

MINUTES
RECESS MEETING OF CITY COUNCIL
Diamondhead, Mississippi
Council Chambers, City Hall
June 19, 2018
5:00 pm CST

I. Call to Order – Mayor Schafer called the meeting to order at 5:00p.m. CST

1. Roll Call –

Present: Mayor Schafer, Councilmembers Depreo, Moran and Morgan; Koenenn and L'Ecuyer. Absent: None.

4. Confirm or adjust agenda order--

Councilmember Depreo moved, seconded by Councilmember Koenenn, to approve the agenda order:

Ayes: Depreo, Moran, Morgan, Koenenn, L'Ecuyer and Mayor Schafer. Nays: None. Absent: None.

MOTION CARRIED UNANIMOUSLY

II. Presentation Agenda.

1. Council Comments.

2. Preliminary FY19 Budget Presentation by City Manager.

City Manager Reso provided an overview of the preliminary proposed budget for FY19. A detail of the preliminary proposal is attached and hereto and made of part of the minutes.

VII. Adjourn/Recess.

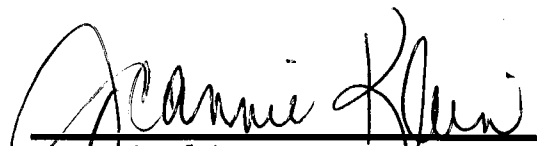
At 5:10 p.m. CST and with no further business to come before the Council at this time, Councilmember Depreo moved, seconded by Councilmember Koenenn, to adjourn.

Ayes: Depreo, Moran, Morgan, Koenenn, L'Ecuyer and Mayor Schafer. Nays: None. Absent: None.

MOTION CARRIED UNANIMOUSLY



Thomas E. Schafer, IV
Mayor



Jeannie Klein
City Clerk

PRILIMINARY BUDGET FY19

(Notes from City Manager)

Introduction

Regarding income, I wanted to be conservative, so we mainly used 3-year averages of actual funds collected for this new budget. Once we get the tax collectors estimates in July, we can have a better idea for some of the property taxes. So, that may increase during this process.

Regarding expenses, I wanted to focus on re-organizing our staffing structure to be more responsive to our public and to find a way to increase salaries for the lowest paid employees. However, I wanted to make sure we did not increase the overall budget for personnel expenses at the same time. I am asking to make some changes to the building department that allow us to focus on violations of city ordinances and to help distribute permits faster. In addition, I wanted to focus on economic development by hiring a consultant/lobbyist and by creating a plan to remove slabs and blighted properties.

Revenues

- Property Taxes – projected 3-year average collected
- Franchise Fees – projected 3-year average collected
- Sales Tax Diversion – projected 3-year average collected
- Building and Permits – increased by 20% due to new subdivisions
- Roads and Bridge Funds (Board of Supervisors) – \$100,000 based on FY18 year to date actual
- Fines & Forfeitures – reduced since state assessments not running through income statement
- Interest – increased from FY18 based on balances in accounts

General Expenses

- Property and Liability Insurance – expecting 10% increase per agent
- Health Insurance – projecting a 10% increase
- Computer Replacement Plan – buying 10 new computers in 3 departments to complete transition by 2020
- Employee Salary Increase Plan
 - No raise for individuals earning more than \$40K
 - 1% raise for individual earning between \$30K and \$39K
 - 1% raise plus extra for those earning less than \$30K
 - Mayor and council pay increase (see Legislative Dept for details)
 - Overall only a 1.07% total cost increase for salaries and benefits from FY18 to FY19

Grants (Interfund Transfer)

- Allocating our matching funds for specific projects paid with grants - \$184,039

Legislative Department

- Mayor Salary – Increase from \$12,000 to \$15,000 per year
- Councilmember salary – increase from \$2,400 to \$5,000 per year
- Travel and Training – include 6 members for Winter and Summer MML conferences and 4 members to attend small town conference.
 - Note: This salary increase is recommended by the City Manager based on a salary and benefits survey of like cities on the MS Coast.

Court Department

- Allowance for Bad Debt - \$34,000 was not budgeted last year and needs to be based on financial audit
- Personnel – increased since not splitting deputy court clerk salary between two departments
- State Assessments are no longer flowing through the income statement. This results in a reduction in income and expenses under fines and forfeitures as compared to FY18.
- Court Appointed Attorney – Increased from \$1,000 to \$12,000 based on actual FY18.
 - Note: City Manager and Judge will explore option to retain a public defender or pay case by case.

Administration Department

- Remove 2.5 positions under administration with restructuring which lowers personnel cost in this department
- CAFR Audit – budgeting \$10,000 for this additional service for FY19 in addition to normal financial audit
- Legal Fees – increased legal fees from \$86,000 to \$95,000
- Appropriations – moved from recreation department to administration for support for 3rd party organizations (i.e. Library and police summer camp for kids)

Police Department

- Supplies – moved vehicle repairs from supplies to contractual services for outside repairs resulting in a reduction in this expense line item and increasing contractual services
- Vehicle – purchase 1 one new police car
- Interlocal Agreement – contract remains unchanged with Sherriff's office; increased line item for overtime expenses by \$24,000
 - Note: No overtime expenses were included in FY18 budget.
- Body Camera – added first installment of \$9,500
- License Plate Readers – \$100,000 estimate
 - Note: city Manager recommends using general funds accumulated from prior years surplus to pay for this one-time expense.

Building Department

- Compliance Officers – added part time (20 hours per week) code enforcement officer
- Building Clerk – changed from part time to full time
- Wide Format Copier – lease new 36-inch-wide format copier for \$3,400 per year for five years
- Advertising – increased from \$2,000 to \$4,000 to serve notice for blighted property clean up
- Slab Removal Plan – add \$100,000 for lot clean-up of blighted property
 - Note: City Manager recommends using general funds accumulated from prior years surplus to pay for these one-time expenses. Goal will be to remove all slabs over the next three years. Any funds spent on an individual lot will be assessed as a lien on the property, so the city can try to be repaid for this effort.

Public Works Department

- Remove one position (position not currently filled)
- Debris Removal - \$6,000 budgeted for PW to pick up shrubbery that Waste Management does not pick up
- Mini Excavator – Purchase for \$45,000
- Street Paving – Budgeting \$253,000
- Streets and Drainage – Budgeting \$195,000
- Engineering – Budgeting \$90,000

Economic Development Department

- Professional Fees & Consulting – Increase from \$21,500 to \$65,000

Parks and Recreation Department

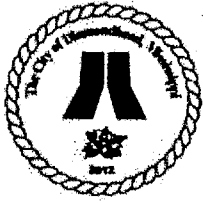
- Created new department to plan for maintenance and repairs of new kayak launches

Grants & Projects

- I-10 Exit Lighting - \$125,939
- East Aloha Widening - \$34,100
- East Aloha Planning - \$4,000
- MDOT Road Planning - \$20,000

Solid Waste Fund

- Treasurer is projecting that the Solid Waste fund balance will be depleted by December 2018 as originally anticipated. Prior to this date, the City Manager recommends that the city council consider increasing the monthly solid waste fee to residents by \$3 per month to cover the cost of curbside recycling or terminate residential recycling services.



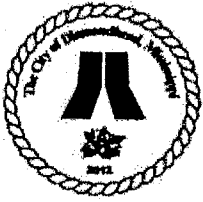
City of Diamondhead, MS
 Budget Summary
 Fiscal Year 2019

Category	FY2018 Budget	FY2019 Recommended Budget
Revenues: General Fund 001		
200: Taxes		
Real Property	2,564,135	2,447,000
Auto Tax	517,950	583,000
Other Taxes	10,000	18,500
Total	3,092,085	3,048,500
220: License & Permit		
Franchise Fee	200,000	255,000
Other Licenses & Permits	93,700	127,600
Total	293,700	382,600
250: Intergovernmental		
Sales Tax	500,000	550,000
Homestead Exemption Reim	220,000	276,000
Other Intergovernmental	103,000	102,965
Road and Bridge-1/2 BOS		100,000
Total	823,000	1,028,965
290: Fines & Forfeitures		
Total	110,500	61,800
300: Interest & Misc.		
Total	14,700	64,650
350: Transfers & Debt Proceeds		
Total	0	0
General Fund: Total Revenues	4,333,985	4,586,515



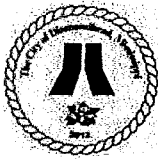
City of Diamondhead, MS
Budget Summary
Fiscal Year 2019

	FY2018 Budget	FY2019 Recommended Budget
Expenditures: General Fund 001		
Department/Category		
Dept 000: Interfund Transfer Funding		
Transfers Out Debt Service		1,000
Transfers Out Grant Projects	183,221	184,039
Total	183,221	185,039
Dept 100: Mayor & Council		
Personnel Costs	25,836	43,000
Supplies	500	600
Contractual Services	6,980	9,514
Total	33,316	53,114
Dept 110: Municipal Court		
Other-Allowance for Bad Debt		34,000
Personnel Costs	105,020	123,597
Supplies	3,500	2,000
Contractual Services	75,705	58,142
Capital Outlay	4,000	500
Total	188,225	218,239
Dept 140: Administrative		
Personnel Costs	514,005	406,292
Supplies	23,800	25,400
Contractual Services	555,220	544,219
Appropriations	4,240	26,240
Capital Outlay	8,000	13,750
Total	1,105,265	1,015,901
Dept 200: Police		
Personnel Costs	27,814	26,040
Supplies	67,700	47,040
Contractual Services	634,155	687,722
Appropriations	10,000	9,600
Capital Outlay	24,000	147,245
Total	763,669	917,647



City of Diamondhead, MS
Budget Summary
Fiscal Year 2019

	FY2018 Budget	FY2019 Recommended Budget
Expenditures: General Fund 001		
Dept 280: Building Zone		
Personnel Costs	131,980	153,696
Supplies	6,850	3,750
Contractual Services	36,485	147,110
Capital Outlay		2,850
Total	175,315	307,406
Dept 301: Public Works		
Personnel Costs	762,891	759,028
Supplies	205,100	166,350
Contractual Services	288,609	284,704
Appropriations	3,000	3,000
Capital Outlay	488,000	501,317
Total	1,747,600	1,714,399
Dept 500: Recreational		
Supplies		600
Contractual Services		2,000
Appropriations	20,500	
Total	20,500	2,600
Dept 653: Economic Development		
Supplies	500	
Contractual Services	21,000	65,000
Total	21,500	65,000
Dept 800: Debt Service		
Principal Payments	141,230	138,544
Interest Payments	39,324	35,810
Total	180,554	174,354
General Fund: Total Expenditures	4,419,165	4,653,698
General Fund: Total Revenues	4,333,985	4,586,515
General Fund: Surplus/(Deficit)	-85,180	-67,183



City of Diamondhead, MS
 Budget Summary
 Fiscal Year 2019

Category/Grant	FY2018	FY2019
	Budget	Recommended Budget
Revenue: Grant Funds		
250: Intergovernmental		
1-10 Lighting Project	448,485	503,755
East Aloha Widening Project	136,400	136,400
MPO Commercial District Study	16,000	16,000
MDOT Road Planning		80,000
Tidelands FY17 Sediment Mngt	102,333	102,333
Tidelands FY18 Sediment Mngt	250,000	250,000
Total	953,218	1,088,488
350: Transfer In (City Matching)		
1-10 Lighting Project	112,121	125,939
East Aloha Widening Project	34,100	34,100
MPO Commercial District Study	4,000	4,000
MDOT Road Planning		20,000
Tidelands FY17 Sediment Mngt		
Tidelands FY18 Sediment Mngt		
Total	150,221	184,039
Grant Fund: Total Revenues	1,103,439	1,272,527
Expenditures: Grant Funds		
1-10 Lighting Project		
Capital Outlay	560,606	629,694
Total	560,606	629,694
East Aloha Widening Project		
Contractual Services	25,575	25,575
Capital Outlay	144,925	144,925
Total	170,500	170,500
MPO Commercial District Study		
Contractual Services	20,000	20,000
Total	20,000	20,000
MDOT Road Planning		
Contractual Services		100,000
Total	0	100,000
Tidelands FY17 Sediment Mngt		
Contractual Services	102,333	102,333
Total	102,333	102,333
Tidelands FY18 Sediment Mngt		
Contractual Services	250,000	250,000
Total	250,000	250,000
Grant Fund: Total Expenditures	1,103,439	1,272,527
General Fund: Surplus/(Deficit)	0	0



City of Diamondhead, MS
 Budget Summary
 Fiscal Year 2019

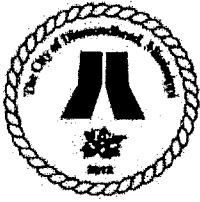
	FY2018 Budget	FY2019 Recommended Budget
Revenue: Solid Waste Fund 401		
Category/Grant		
200: Taxes		
Levied Charges for Services	460,000	462,000
Interest		1,200
Total	460,000	463,200
Solid Waste Fund: Total Revenues	460,000	463,200

	FY2018 Budget	FY2019 Recommended Budget
Expenditures: Solid Waste Fund 401		
Grant/Category		
Category 600: Contractual Services		
Contractual Services	450,000	580,096
Collection Fees	15,000	16,200
Total	465,000	596,296
Solid Waste Fund: Total Expenditures	465,000	596,296
Solid Waste Fund Surplus/(Deficit)	-5,000	-133,096

	FY2018 Budget	FY2019 Recommended Budget
Revenue: Debt Service Fund 800		
Category/Grant		
350: Transfer In		
Transfer In from General Fund		1,000
Total	0	1,000
Debt Service Fund: Total Revenues	0	1,000

	FY2018 Budget	FY2019 Recommended Budget
Expenditures: Debt Service Fund 800		
Grant/Category		
Dept 800: Debt Service		
Interest Payments-ST		1,000
Total	0	1,000
Debt Service Fund: Total Expenditures	0	1,000
Debt Service Fund Surplus/(Deficit)	0	0

	FY2018 Budget	FY2019 Recommended Budget
Revenue: Fire Dept Fund 701		
Category/Grant		
300: Interest		
Interest		275
Total	0	275
Fire Dept Fund: Total Revenues	0	275
Fire Dept Fund Surplus/(Deficit)	0	275



City of Diamondhead, MS
Budget Summary
Fiscal Year 2019

	FY2018 Budget	FY2019 Recommended Budget
General Fund: Total Revenues	4,333,985	4,586,515
General Fund: Total Revenues	4,419,165	4,653,698
General Fund: Surplus/(Deficit)	<u>-85,180</u>	<u>-67,183</u>
GrantFund: Total Revenues	1,103,439	1,272,527
GrantFund: Total Revenues	1,103,439	1,272,527
GrantFund: Surplus/(Deficit)	<u>0</u>	<u>0</u>
Solid Waste Fund: Total Revenues	460,000	463,200
Solid Waste Fund: Total Expenditures	465,000	596,296
Solid Waste Fund Surplus/(Deficit)	<u>5,000</u>	<u>-133,096</u>
Debt Service Fund: Total Revenues	0	1,000
Debt Service Fund: Total Expenditures	0	1,000
Debt Service Fund Surplus/(Deficit)	<u>0</u>	<u>0</u>
Fire Fund Fund: Total Revenues	0	275
Fire Dept Fund Surplus/(Deficit)	<u>0</u>	<u>275</u>
Budget Surplus (Deficit)	-80,180	-200,004