

CITY OF OPA-LOCKA

“The Great City”

FIRST BUDGET HEARING MINUTES

September 12, 2012

5:01 P.M.

Opa-locka Municipal Complex

780 Fisherman Street, 2nd Floor

Opa-Locka, FL 33054

1. CALL TO ORDER:

Mayor Taylor called the meeting to order at 5:05 p.m. on Wednesday, September 12, 2012 on the 2nd Floor of the Opa-locka Municipal Complex, 780 Fisherman Street, Opa-locka, Florida.

2. ROLL CALL:

The following members of the City Commission were present: Commissioner Gail Miller, Commissioner Timothy Holmes, and Mayor Myra L. Taylor. Also in attendance were: City Manager Kelvin L. Baker, Sr., City Attorney Joseph S. Geller and Deputy Clerk Sha'mecca Lawson. Commissioner Rose Tydus arrived at 5:29 p.m.

3. INVOCATION:

The Invocation was delivered by Mayor Myra L. Taylor.

4. PLEDGE OF ALLEGIANCE:

The Pledge of Allegiance was recited in unison.

5. FIRST READING ORDINANCENS/PUBLIC HEARING:

- A. AN ORDINANCE OF THE CITY COMMISSION OF THE CITY OF OPA-LOCKA, FLORIDA, ADOPTING A FINAL MILLAGE RATE PURSUANT TO SECTION 200.065, FLORIDA STATUTES, FOR FISCAL YEAR 2012-2013, COMMENCING OCTOBER 1, 2012 THROUGH SEPTEMBER 30, 2013; SETTING FORTH PUBLIC HEARING DATES; PROVIDING FOR INCORPORATION OF RECITALS; PROVIDING FOR REPEAL OF ALL PRIOR ORDINANCES IN CONFLICT; PROVIDING FOR SEVERABILITY; PROVIDING FOR AN EFFECTIVE DATE.
Sponsored by C.M.

The above ordinance was read by title by Attorney Geller.

Faye Douglas, Budget Administrator for the City of Opa-locka came forward and said that in order to assure broad notice and public input, the public hearings were advertised on September 2, 2012 and September 23, 2012. The first and second public hearings are scheduled for September 12, 2012 at 5:01 p.m. and September 26, 2012 at 5:01 p.m. The proposed millage rate

is 9.3736 per One Thousand Dollars of assessed property value, which is 6.52 percent change from the roll back rate.

Mayor Taylor opened the floor for public hearing.

Joseph Kelley of 485 Dunad Avenue, Opa-locka, Florida, appeared before the City Commission and asked if the proposed millage rate is based on the document distributed to the public?

Manager Baker replied, yes.

Mr. Kelley asked if the numbers are projections or does the city already have the revenue?

Manager Baker said they are conservative projections.

Mr. Kelley asked, what does the new revenues from Building & License and Public Works consist of?

Manager Baker said they are projected impact fees.

Mr. Kelley asked for clarification in terms of the expenses because the budget calls for eliminating vacant and unfilled positions but then it indicates postponing the hiring of new employees until 2013.

He asked, what employees are being referenced if the city is eliminating vacant and unfilled positions?

He further asked that the City Manager elaborate on what reduction of operating expenses entails. Also, he would have hoped the 5 furlough days for employees were not in the proposed budget.

There being no additional persons to speak on the public hearing, the public hearing was closed.

It was moved by Commissioner Holmes, seconded by Commissioner Miller to adopt the ordinance.

Manager Baker explained that at the budget workshop the city was \$1.5 Million Dollars in the red. They established a millage rate and he is pleased to report that they were able to lower the millage rate to 9.1. The proposed budget does not call for any lay offs; as it is laid out the budget is balanced. The revenues are new and they appear to be very solid based on his interpretation. In terms of the expenses, there are a number of vacancies the city is proposing to eliminate completely. On the expense side of the budget, one of the goals is not to do any layoffs. Staff looked at many opportunities to reduce the budget and they are proposing possible furlough days which do not include sworn officers; it includes the general staff, including himself.

He highlighted the second item under expenses which consists of the relocation of city offices or purchase of the Town Center One building. The city utilized those savings as one of the areas to

balance the budget. In addition to that, they have met the bond requirements for putting a half million dollars back into the general fund reserves. The goal was to stop the bleeding so next year there will not be a \$1.5 or greater short fall in starting the budget, and they have come up with a plan to begin to fill in some of the gaps. Based on the forecast they provided during the budget workshop, there will be some short falls, but not the magnitude of what they are looking at today. The city is looking at a 10% increase of health insurance at a magnitude of \$77,000.00 and there are some other pieces beyond their control that they are dealing with in an effort to provide a balanced budget.

Commissioner Miller said she noticed that in the proposed budget all city employees will have to take five furlough days. She asked, can staff do something better because five furlough days without pay is a hardship for single parents.

She further said she can work with the rest of the budget, but she would like the five furlough days to be reconsidered.

With regards to the 10% premium increase for health insurance, Commissioner Holmes asked, will the employees have to pay that?

Manager Baker stated that from his understanding the 10% increase will be across the board.

Shirley Freeman, Human Resources Director informed the City Commission that the 10% increase for health insurance is the renewal rate for United Health Plan and it is being incorporated into the budget.

Commissioner Holmes expressed his concerns regarding the current health care provider for the city and suggested that staff look into a new company that would be more cost effective for the employees.

Manager Baker stated that staff has looked at several opportunities to enhance the health insurance, but they ranged at \$500,000.00 - \$600,000.00 in terms of going with some of the premier companies such as Aetna, AvMed, and some of the others. They looked at the possibility of entering some type of co-op with the Florida League of Cities and that was going to be even higher. He said he would be happy to go out for bids and go from there.

Commissioner Holmes recommended that the city go out for bids because of the dissatisfaction with the current health insurance.

Manager Baker explained that the city would need to allocate funding to cover the health insurance and he wants the commission to know that it's a significant amount.

Commissioner Holmes said if the city has to take on the expense then they will have to do so because some of the employees are not getting paid enough to afford the current health insurance.

Commissioner Tydus said she hopes everyone can understand how critical the healthcare reform is and she appreciates the fact that the City Manager is going to put the healthcare out for bid, but there is not an easy solution at this time because healthcare is very expensive. She too is not happy with the city's current healthcare insurance, but she is realistic to know it will be difficult if at all possible, to find rates that are affordable.

After researching several neighboring communities, she said the City of Opa-locka has done far more as far as maintaining employees, with no layoffs. This puts a responsibility on the City Manager; the employees need to produce.

Mayor Taylor said the fact that some people has HMO oppose to PPO insurance, does that affect the rate?

Manager Baker replied, yes.

Mayor Taylor asked, if everyone has HMO, will that lower the insurance rate?

Manager Baker replied, yes.

Mayor Taylor suggested that staff consider giving everyone the same coverage.

Manager Baker said when laying out the plan you have to include all of the options, because you may get into some legal issues. There are some individuals with pre existing conditions and they have to take POS or PPO so they can continue their services.

Mayor Taylor said that is understandable, however she would still like for staff to explore the option of everyone having the same insurance coverage. She agrees with her colleagues as far as the current insurance provider.

Manager Baker said it will take a few months for the health insurance bid, so he recommended that the City Commission approve the renewal with the understanding that they are going out for bids. Should the bids come back with favorable numbers the city will opt out of the current health insurance contract and make it known with the current carrier that we are seeking to re-bid.

There being no further discussion, the motion passed by a 4-0 vote.

Commissioner Tydus	Yes
Commissioner Holmes	Yes
Vice Mayor Johnson	Not present
Commissioner Miller	Yes
Mayor Taylor	Yes

B. AN ORDINANCE OF THE CITY COMMISSION OF THE CITY OF OPA-LOCKA, FLORIDA, APPROVING AND ADOPTING THE CITY'S GENERAL FUND BUDGET FOR THE FISCAL YEAR 2012-2013, COMMENCING OCTOBER 1, 2012,

THROUGH SEPTEMBER 30, 2013; PROVIDING FOR THE EXPENDITURE OF FUNDS ESTABLISHED BY THE BUDGET, AUTHORIZING THE CITY MANAGER TO TAKE CERTAIN ACTIONS; PROVIDING FOR APPROPRIATION AND AMENDMENT; PROVIDING FOR INCORPORATION OF RECITALS; PROVIDING FOR CONFLICT AND REPEALER; PROVIDING FOR SEVERABILITY; PROVIDING FOR AN EFFECTIVE DATE. *Sponsored by C.M.*

The above ordinance was read by title by Attorney Geller.

Mayor Taylor opened the floor for public hearing. There being no persons to speak on the public hearing, the public hearing was closed.

It was moved by Commissioner Holmes, seconded by Commissioner Miller to adopt the above ordinance.

Commissioner Miller asked, is this ordinance in connection with the five furlough days for employees?

Manager Baker said he will be coming back for the second reading with other options regarding the five furlough days.

There being no further discussion, the motion passed by a 4-0 vote.

Commissioner Miller	Yes
Commissioner Holmes	Yes
Vice Mayor Johnson	Not Present
Commissioner Tydus	Yes
Mayor Taylor	Yes

- C. AN ORDINANCE OF THE CITY COMMISSION OF THE CITY OF OPA-LOCKA, FLORIDA, APPROVING AND ADOPTING THE CITY'S PROPRIETARY AND SPECIAL REVENUE FUND BUDGET FOR THE FISCAL YEAR 2012-2013, COMMENCING OCTOBER 1, 2012 THROUGH SEPTEMBER 30, 2013; PROVIDING FOR THE EXPENDITURE OF FUNDS ESTABLISHED BY THE BUDGET; AUTHORIZING THE CITY MANAGER TO TAKE CERTAIN ACTIONS; PROVIDING FOR APPROPRIATION OF ALL BUDGET EXPENDITURES; PROVIDING FOR FEES CONSISTENT WITH APPROPRIATION AND AMENDMENT; PROVIDING FOR INCORPORATION OF RECITALS; PROVIDING FOR REPEAL OF ALL ORDINANCES IN CONFLICT; PROVIDING FOR SEVERABILITY; PROVIDING FOR AN EFFECTIVE DATE. *Sponsored by C.M.*

The above ordinance was read by title by Attorney Geller.

Mayor Taylor opened the floor for public hearing. There being no persons to speak on the public hearing, the public hearing was closed.

It was moved by Commissioner Holmes, seconded by Commissioner Miller to adopt the above ordinance.

There being no discussion, the motion passed by a 4-0 vote.

Commissioner Holmes	Yes
Commissioner Tydus	Yes
Vice Mayor Johnson	Not Present
Commissioner Miller	Yes
Mayor Taylor	Yes

6. ADJOURNMENT:

There being no further business to come before the Commission, it was moved by Commissioner Holmes, seconded by Commissioner Miller to adjourn the meeting at 5:45 p.m.



MAYOR

ATTEST:



INTERIM CITY CLERK