

Special Council Meeting
July 31, 2018
6:00 P.M.

Present: Shon Owens, David Bush, Jane Hayes, Eric Seib, Donna Bullock

Meeting called to order: Shon Owens

Welcome visitors: Shon Owens

Invocation: Shon Owens

Pledge: Jane Hayes

Old Business:

Truth in Millage discussion. Eric reviewed the timeline and upper limit of millage of 3.171. He recommended that the Town keeps the Millage at 2.0. That millage will provide the town \$83,315 in taxes in FY-2018. Any .5 increase in millage will provide an additional \$20,800 in tax revenue. Eric recommended delaying a raise in millage one more year. Mayor asked when was the last time the millage was raised. That was unknown. The Mayor suggested that the town raise the millage up to 2.5 in 2018. Councilwoman Hayes mad a motion to propose the Operating Millage Rate from 2.0 to 2.5. Councilman Bush seconded the motion. Council voted 3-0 to propose accept the motion. The Council agreed to schedule the budget and rate hearing on Tuesday, September 4, 2018.

FRWA Rate Change Study. Mr. Bob Mearns addressed the Town Council by providing a power point presentation on his recommended water and sewer rates to allow for the Town of Jay to pay for the operating expenses of the water system and create a reserve for both funds. He stated that the base rate should be set to pay for debt and reserves. 15-25% of the monthly revenues should be set aside for contingencies. The variable rates should pay for the operational expenses. His audit found that the town is not meeting their operational expenses nor has a reserve for contingencies. With the current discolored water, the water loss is nearing 30%. The Town has not raised rates since 2011 and needs to set new rates. His recommended base water rates increased by 44% and base wastewater rates increased by 18%. He recommended that the Town set In Town Rates for water and wastewater and then increase the Out of Town Rates by 25%. Mr. Mearns recommended that once the Town sets their new rates they use the Florida Public Service Commission's recommended annual increases for rate increases. As an example, Mr. Mearns mentioned that Mary Ester, Florida sets a base rate for all users, and then adds the per 1,000 gallon variable rate. The Town of Jay currently includes the first 2,000 gallons in the base rate. Discussion on the various rates, recurring maintenance costs The Mayor asked Eric to go back with a hybrid rate that is a mix of the recommended rates with increases by the FPCS and a 25% increase for out of town rates

and return to the council with those estimated revenues and a pivot table visual at the next town council meeting. Include the fact that the last two rate changes were 2011 and some time before that. We need to build the reserves that are not there now.

Municipal Public Service Tax. Eric presented a revenue projection for residential and business accounts based on the average electricity bills over the last 12 months, provided by EREC. Different cap levels were discussed. The council asked Eric to bring back an estimate for no residential cap, and a cap that will capture the top 10% of the 3-phase electricity businesses. They also agreed to an annual cap increase in line with the CPI.

Councilwoman Hayes made motion to adjourn meeting. Seconded by David Bush. 3 yeas. 0 nays. Meeting adjourned.

Mayor Shon Owens

Town Clerk Donna Bullock