

SPECIAL CALL MEETING AUGUST 30, 2022

Be it remembered that the Mayor and Board of Aldermen of the City of Ocean Springs met in a Special Call meeting at City Hall in the City of Ocean Springs at 6:00 p.m. on August 30, 2022. Mayor Holloway presiding, Aldermen Burgess, Authement, Wade, Cox, Papania, and Impey were present. Alderman Blackman joined the meeting at 7:31 p.m. via teleconference according to Section 25-41-5 of the Mississippi Code. Let the minutes reflect there is a speaker in the meeting room that all those present can hear Alderman Blackman. Also present were City Attorney Robert Wilkinson, City Clerk Patty Gaston, Deputy City Clerk Vicky Hupe, Police Chief Mark Dunston, Fire Chief Derek McCoy, Human Resource & Risk Management Director Mindy McDowell, Public Works Director Allan Ladnier, Building Official Darrell Stringfellow, Planning & Grants Administrator Carolyn Martin, Parks & Recreation Director Stephen Glorioso, and Executive Assistant to the Mayor & Board Ravin Nettles.

The Mayor called the meeting to order at 6:00 p.m.

The Special Call Meeting is for all matters pertaining to the Public Hearing for Fiscal Year (FY) 2022 - 2023 Proposed Budget and a Resolution Fixing Tax Levy for FY 2022 - 2023 (Exhibit b).

A motion was made by Alderman Authement, seconded by Alderman Impey, and unanimously carried to accept the agenda.

A motion was made by Alderman Impey, seconded by Alderman Papania, and unanimously carried to open the public hearing regarding the proposed budget for the fiscal year 2022 – 2023 (Exhibit a).

The City Clerk gave a summary of the proposed General Fund budget for the upcoming fiscal year that included a two-mill increase in ad valorem taxes for the operating budget. She said if the 2-mill increase is not made, there will need to be a reduction of general fund expenses of approximately \$418,000. She said with the two-mill increase general fund income is expected to be \$16,679,255.78. She said she increased expenses for inflation by 10% for commodities and 5% for utilities, which is not certain that will be enough of an increase. She explained sales tax and food & beverage tax is not expected to increase as it has in previous years due to there not being any stimulus money pumped into the economy. She said most of the capital expenditures in the budget will be funded through a loan the City has received, even though the City should be able to purchase vehicles and other small machinery with operating funds. She explained that the millage increase would be \$20 more per year for a homeowner with a home value of \$100,000. She said Ocean Springs residents pay the least amount of municipal taxes in Jackson County. This will still be true if the City increases millage, and the other cities remain the same for the upcoming fiscal year.

EXHIBIT # 6-e

The City Clerk reviewed the Taconi Building Fund, The Evergreen/Bellande Cemetery Fund, and the Library Fund. She reviewed General Obligation Debt Services, the bonds, and loans the City currently has.

The City Clerk gave a summary of the Enterprise Fund budget. She said it is a stand-alone fund that funds garbage, water, sewer, employees, contractual services, and building insurance. She said the sewer fees paid to JCUA increased by \$320,000 due to increased usage. She reviewed the Enterprise Debt broken down by end date. She said Enterprise Fund's income is expected to be \$9,071,760 and expenses are expected to be \$9,071,606.

The City Clerk gave a summary of the 2% Food & Beverage Tax Fund. She said the fund can only be spent for public safety, parks & recreation, and tourism. She said she is expecting this tax not to increase at the rate previously experienced due to inflation. She said the City will be purchasing two firetrucks totaling \$1.2 Million over the next two years. She said Gay-Lemon Park will be getting much-needed improvements utilizing grant funding and \$325,000 has been budgeted from the City. She said there will be new ballfields and concessions building plus a needed drainage project at the park. She continued to review other parks and beach projects.

Public Comment:

Jon Rivera spoke against increasing the millage.

Paul Gergen spoke against increasing the millage.

Doug Walker spoke against increasing the millage.

Shea Dobson spoke neither for nor against the millage increase.

Bill Moore spoke in favor of increasing the millage.

Karen Stennis spoke against increasing the millage.

Hugh O'Neil spoke against increasing the millage.

Geri Straight spoke against increasing the millage.

A motion was made by Alderman Cox, seconded by Alderman Wade, and unanimously carried to close the public hearing.

The Mayor corrected two media outlet statements saying the City is not asking for a \$2 Million tax increase. He said the City runs a tight and conservative budget that has just met the recommended 3 months of funds in reserve. He said there have been \$38 Million in infrastructure needs identified and \$18 Million in ARPA funds will be used to address some of these needs but that leaves \$20 Million in remaining projects. He recommended investing in long-term infrastructure fixes and not being reactive with "band-aid" fixes. He explained the City has the lowest mileage on the Coast, but residents expect the best on the Coast. He said the additional 2-mills would be an additional \$1.67 per month on a \$100,000 home unless over 65 years old it would be an additional \$0.42 per month. He stated that the average assessed amount for a home in Ocean Springs as of August 2022 is \$158,000 which equates to \$31.60 additional per year. He said 100% of the City's tax dollars come directly back locally to improve the City and will be used with grant matches, leveraging the funds.

Alderman Blackman joined the meeting at 7:31 p.m. via teleconference according to Section 25-41-5 of the Mississippi Code.

Alderman Authement said after he was elected in 2017, the budget was not balanced, there was a storm, and it took 3 months for the clean-up due to nonsufficient funds. He added morale was low and turnover was high, the pay-scale implemented in 2019 has improved turnover. He said during the last storm, cleanup started immediately, and was the first on the Coast to be finished but we have not been reimbursed those funds. He said he is proud of where Ocean Springs is compared to other municipalities along the Coast. He said he doesn't see an option to not increase the millage knowing the budget and the City's needs.

The Resolution Fixing the Tax Levy for Fiscal Year 2022 – 2023 was presented with the City's total millage set at 28.92 and the Ocean Springs School District's millage set at 66.75.

Alderman Cox said he has been on the Board since 2012 and the budget has improved each year. He said he will not support the 2-mill increase because he does not feel it is necessary at this time.

Alderman Impey said he has been on the Board since 2013 and has served on the Finance Committee all but 2 of those years. He agreed the budget has improved each year, in 2013 the budget was approximately \$12.8 Million versus today at \$16 Million. He said salaries did need to be addressed which they have been but each time a salary increase was discussed in finance, he asked if it was sustainable, and the answer was always yes. He understands infrastructure issues but we need to determine wants versus needs. He said he will not support the 2-mill increase.

Alderman Wade agreed he would not support a 2-mill increase. He said the timing is bad with food, gas, diesel fuel, and other items increased in cost for residents. He would like to readdress the option in a year or two.

Alderman Authement rebutted saying the City is faced with the same increased cost but on a much larger scale including fuel cost, tire cost, vehicle cost, supply cost, 3rd party resources increased cost, street repair, and salary cost.

A motion was made by Alderman Papania and seconded by Alderman Authement to adopt a Resolution Fixing the Tax Levy for Fiscal Year 2022 – 2023. The motion carried with a roll call vote as follows:

Alderman Burgess	Aye
Alderman Authement	Aye
Alderman Wade	Nay
Alderman Cox	Nay
Alderman Papania	Aye
Alderman Blackman	Aye
Alderman Impey	Nay

A motion was made by Alderman Impey, seconded by Alderman Wade, and unanimously carried to adjourn the meeting.

The meeting ended at 7:40 p.m.



Mayor Date 9/1/22



City Clerk Date 9/20/22

