

MINUTES, BUDGET WORKSHOP  
AUGUST 21, 2018 6:00 P.M.  
COUNCIL CHAMBERS, 1 S CENTRAL AVENUE, UMATILLA, FL

**Meeting called to order at 6:00 p.m.**

**ROLL CALL**

**IN ATTENDANCE:** President Laura Wright; Vice President Brian Butler; Council members Katherine Adams, Eric Olson; Mayor Mary Johnson; Public Works Director Aaron Mercer; Police Chief Adam Bolton; Fire Chief Shane Lanoue; Finance Director Regina Frazier; City Manager Scott Blankenship; City Clerk Karen Howard

**ABSENT:** Council member Scott Purvis

**Finance Director Regina Frazier** said she calculated reserve levels with percentages and they all fall between 19% and 20%. The city has a small budget and she prefers not using a percentage method to calculate reserves.

**Ms. Frazier** noted she is looking for direction on the salary levels Council prefers so the budget can be finalized.

**Council member Olson** said his preference is Option 1, bringing the lower paid employees up and then Option 5, using 2% for the others.

**Council member Adams** said she agrees with Option 1 but would rather see a 3% salary increase than a 2% increase.

**Ms. Frazier** noted the actual raises in the current fiscal year are 1.77 percent on a 0% to 3% range. The budget is a range but the actual raises will be somewhere in the middle. Some employees received 3%, some less.

If you use Option 1 with a 2% increase it is \$12,000 and that is budgeting all of it. Some of the funds will go back into reserves because some employees will not get the full merit increase allowed.

**Mayor Johnson** agreed with **Council member Olson** on Option 1 and Option 5.

**City Manager Blankenship** said there are employees that have dual licenses who could make more money elsewhere. The two percent makes me nervous about being able to keep highly skilled people. I would like flexibility to offer higher performing employees more money.

**City Manager Blankenship** noted some employees qualify to be in senior management in FRS. We started looking at a matching retirement that is a quarter of the cost for FRS senior management. It is an option to offer senior management employees to retain them.

**Public Works Director Mercer** said double-digit costs for health insurance causes struggles for our employees.

**City Manager Blankenship** said employees are told of the value of health coverages at our Open Enrollment. They know the cost is going up. We talked about the penalty for tobacco users and people who do not go for physicals. The employees with family coverage even with a dollar increase will have less in their pocket.

**Mayor Johnson** said we are asking the citizens to pay more money. You cannot expect the citizens to pay fire tax and increased millage.

**Ms. Frazier** noted it makes a big difference in employee performance. We are trying to incentivize them to be at their best and to stay here.

**City Manager Blankenship** suggested an across the board increase of 2%. There are a lot of employees who could leave for a better job tomorrow. We have some employees who are critical to everyday operation in the city.

**Council member Olson** noted this is taxpayer money. Our reserves are lower and we need to be very cautious on what we do when dealing with the taxpayer dollars.

**City Manager Blankenship** said our employees are probably the lowest paid in the county. We are trying to stay competitive and our health coverage has been our rock.

**Vice President Butler** said keeping the skilled people are key and prefers Option 1 and no more than a 3% increase.

Discussion focused on what the other cities were offering employees.

**City Manager Blankenship** said our concern is that we need folks who will do things that no one wants to do. I have been having conversations with other managers regarding having a policy on hiring only non-smoking people. Public Works lost someone last week and will have a hard time finding a replacement. We will do what we need to do to get the job done.

Council was polled regarding the options:

**Adams and Wright:** Option 1 and Option 2; the dollar for the lower paid employees constitutes the raise.

**Olson:** Option 1 and Option 5

**Butler:** Option 1 and Option 2 with 3 percent merit based maximum.

**Council member Olson** stated for the record he is against that.

**City Manager Blankenship** said the consensus is same as last year with a 3% merit based. The lowest paid employees noted with receive a dollar increase only.

**Ms. Frazier** said after Thursday night she can put everything together and hoped to have the Tentative Budget prepared the beginning of next week.

**Meeting adjourned 6:27 p.m.**

  
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Laura Wright  
Council President

**ATTEST:**

  
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Karen H. Howard, CMC  
City Clerk