

# Town of Callahan

'A Florida Municipality'

## Town Council Minutes

July 21, 2014

7:00 P.M.

**Present at Meeting:** Mr. Rau, Mr. Fontes, Mr. Bass, Mayor Graham, Mrs. Smith, Mrs. Shaw, Mr. Mellecker, Mr. Branham, Mrs. Knagge, Mr. Williams, Mrs. Carrie Harrison, Miss Katie Harrison, Mr. Terry Jones, Mr. Ken Greene, ten (10) Community members, two (2) Auditors, and two (2) members of the Media.

**Absent:** None

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**Meeting Called to Order** – Mr. Rau at 7:01 PM.

**Pledge of Allegiance to Flag/Invocation** – Pledge and Invocation by Mr. Rau.

**Visitors Welcomed and Reminded Minutes are Being Recorded** -- Mr. Rau

### **Persons Wishing to Address Council on Items Not on the Agenda**

- Jonathan Graham – 45256 Weaver Circle – President of Branch Creek Homeowners Association –
  - Wanted to see where the Council was on the Residents request for the Town to take over Branch Creek. Stated that the Pond being fenced is a big issue, the drainage, and the adjacent lots fence.
  - President Rau said that all of these items would be discussed when we got to the appropriate place on the Agenda.

**Minutes** – Motion to approve the Minutes by Mr. Fontes and 2<sup>nd</sup> by Mr. Mellecker. Motion Carried.

### **Presentations**

- Auditors – Ron Stafford & Brett Stone
  - Stated that there was only 4 reports to discuss from this year's Audit
    1. Financial Statements – Liability Actuary is not present which is normal for a small town, but still has to be noted. Page 1
    2. No Material Weaknesses for a small Town. Page 30
    3. Management Letter stating that the Town is NOT in a Financial Emergency and Finances are up to State Statues. Page 32
    4. Grants are all in compliance.
  - Stated that the Town should be very proud of its Staff & Council!

## **Old Business**

- Municipal Service Tax Unit (MSTU)
  - Mr. Branham said that there is nothing new at this time and that this item should be removed from the Agenda until further notice.
  
- Branch Creek Subdivision – Turnover of Streets and Associated Systems
  - Mr. Williams stated that there would need to be a Platt revision done through the Planning & Zoning Board.
  - Mr. Branham stated that there would have to be a new Platt drawn up and an Ordinance passed to make any changes to the PUD (Planned Unit Development) through the Planning & Zoning Board. The Homeowners Association would need to file a re-zoning application for a new Platt that leaves off the 4 properties on Robinwood Circle.
  - Homeowners asked the cost of the Application and Mrs. Harrison stated it is \$250 for the Application and approximately \$500 for the Advertisement.
  - Mr. Donald Poor of 45144 Weaver Circle asked what it would take for the Town to take over the Storm Water System.
  - Mr. Branham stated that is uncommon for Towns to take over Storm Systems, but roads and lights can be done.
  - Mr. Fontes stated that we look into taking over the Roads and Street Lights, and leave the Storm Water System to the Homeowners Association.
  - Mr. Joe Leonard of 44420 Mary Sauls Circle – Concerned that the Drainage System could affect him even though he does not live in Branch Creek Subdivision. Mr. Williams said that the Berm coming in is on a County Road and the County should be maintaining that area.
  - Mr. Mark Juen stated that he likes the Mound of dirt being there for privacy and there has been no erosion. He just digs a new ditch every couple of years.
  - Mr. Michael Barnes of 44433 Mary Sauls Circle – asked if the Homeowners Association does the previous mentioned things will the Town take over the Streets and Lights?
  - Mr. Ken Greene asked if he installs the fence around the Pond will the Town take over the Streets & Lights.
  - Mr. Poor asked what will happen now.
  - Mr. Williams stated that he would go inspect the above mentioned items and that he would inform Mr. Graham of his findings.
  - Mrs. Smith asked if the Platt could be surveyed without the Town's permission and the answer was yes.
  - Mr. Burns asked if the Town doesn't take over the Pond & Storm Water System than who is liable if a child were to drown or for flooding.
  - Mr. Branham stated that the Homeowner's Association would be liable and that a well-functioning HOA should have insurance like a Corporation with limited liability.

## **New Business**

- SCW Liquors – Todd Jones – Alcohol License Transfer
  - Terry Jones 531 S. 6<sup>th</sup> Street in Fernandina Beach, FL was here to speak on behalf of his son Todd Jones.
  - His son purchased the Bank of America and would like to transfer the Business to there.

- Mrs. Harrison stated that it meets all of the requirements to move the Liquor License and Business.
- Mr. Williams stated that he had researched the Code book and it shows nothing, but he thinks once the transfer is made the current building has to close.
- Mr. Branham stated that both Liquor Licenses can't be open at the same time.
- Mr. Jones asked for a couple of months to move the entire inventory.
- Motion to approve the Transfer by Mr. Mellecker and 2<sup>nd</sup> by Mr. Bass. Mrs. Shaw and Mr. Rau voted "No". Motion Carried.
- Discussion:
  - Mr. Fontes asked if Mr. Jones had planned on selling the Building. Mr. Jones stated that Jax Federal Credit Union had inquired, but had backed out.
  - Mr. Mellecker asked how long Mr. Jones needed for the Transfer and he stated approximately 3 months. Mr. Mellecker asked if September 30<sup>th</sup> would be enough time and Mr. Jones said he believed so.
- Budget Discussion -- Setting of Tentative Millage Rate & Public Hearings
  - Mr. Williams provided the following Memorandum with the proposed rates:

21 July 2014

Re: Overview of Budget 14-15

The roll back rate for 14-15 is 3.3755 mills per 1,000 dollars of assessed value.

13-14 rate was 3.4296 mills.

Property value has increased from \$67,829,380 in 13-14 to \$68,915,321 adding 1,085,941 of taxable value.

Tax revenue @ roll back rate is \$235,587.00, an increase of \$2,959.00 over last year.

State Revenues:

Local Discretionary Sales Surtax:	\$133,777.00	increased	\$11,136.00
½ Cent Sales Tax:	\$ 68,252.00	increased	\$ 5,760.00
Communication Service Tax	\$ 60,633.00	increased	\$ 133.00
Municipal Revenue Sharing	\$ 36,625.00	increased	\$ 486.00
Local Option Fuel Tax	\$ 17,584.00	increased	\$ 1,324.00

Total Increase \$ 18,839.00

The first public hearing is to be held between the 65 and 80th day which is Sept. 3rd to 18th.

Our First Hearing can be on the Sept. 15th, this will require us to hold our final on Sept. 29th. Requiring a third meeting in September.

Attached are two DR420 form: Providing Tax information for tentative Millage Rates of 3.3755 the roll back rate for 14-15 and 3.4296 showing a tax increase of 1.6%.

Thank You  
Michael A. Williams

- Mr. Williams asked the Council to set the Budget Hearings and the Council decided:
    - 1<sup>st</sup> Public Hearing on September 15<sup>th</sup>
    - Final Public Hearing on September 29<sup>th</sup>
    - Advertised on September 25<sup>th</sup>
    - Council will revisit the decision on whether to have a 3<sup>rd</sup> Meeting on September 2<sup>nd</sup> at the August 18<sup>th</sup> Meeting.
  - Motion to set the Tentative Millage Rate at 3.4296 by Mr. Fontes and 2<sup>nd</sup> by Mr. Mellecker. Motion Carried.
- Employee Insurance
    - Mr. Branham stated that the Town was looking to lower Employee Insurance rates and in doing so realized that a significant change in amounts around the end of Mrs. Harrison's employment. Mr. Williams looked further into and decided to hire a Private Auditor to research it. The findings were that the Town had been overpaying on Mrs. Harrison's insurance in the amount of about \$12,000 a year since 2006, which is as far as the research went, for a four year total of over \$40,000. Mrs. Harrison said it was an oversight on her part that she felt horrible about and has already paid the Town back \$18,500.
    - Mr. Branham asked the Council:
      - Whether they wanted the Auditors to dig further.
      - If they wanted to handle in house or involve Law Enforcement.
      - If they wanted to allow the Mayor, Mr. Branham, Mr. Rau, and Mr. Williams to handle the further investigation.
    - Mr. Mellecker asked how much time would she need to pay it back and Mrs. Harrison said it would be paid back by the end of this Fiscal Year.
    - Mrs. Shaw asked who paid for the Audit and Mr. Branham said that would need to be determined.
    - Mr. Rau stated that he feels that Carrie didn't knowingly do this, but the Town must recoup the monies.
    - Mr. Mellecker asked if we should go with our figures or hire Auditors.
    - Mrs. Smith asked if we should go further back than the four years.
    - Mr. Rau stated that the Statute of Limitations is the four years.
    - Mr. Branham asked if the Consensus of the Council was for the Mayor, Mr. Rau, Mr. Williams, and himself to handle this and they said yes.
    - Motion to approve Mayor, Mr. Rau, Mr. Williams, and Mr. Branham to handle was made by Mr. Bass and 2<sup>nd</sup> by Mrs. Shaw. Motion Carried.

### **Recurring Business; Water & Sewer Adjustments**

- None

### **Review & Approval of Town Expenditures**

#### **➤ General Fund – \$15,006.05**

- Motion to approve by Mr. Fontes and 2<sup>nd</sup> by Mrs. Shaw. Motion Carried.

➤ **Water & Sewer Fund – \$10,141.24**

- Motion to approve by Mr. Mellecker and 2<sup>nd</sup> by Mr. Bass. Motion Carried.

➤ **Water & Sewer Deposit Disbursements -- None**

**Around the Council Table**

➤ **Mayor –**

- After making 2-3 approaches to the County Commissioners can't seem to get a straight answer about the Fire Agreement.
  - Mayor stated that Commissioners can't seem to see that they are Graves & Selby's boss.
  - Mayor stated that County Manager wants Towns to meet separately and Mayor Buchanan and I disagree. They also don't want to come to the Westside of the County.
  - Mayor stated that she and Mayor Buchanan had discussed asking for the Joint Meeting on August 13<sup>th</sup> in Hilliard since the space is big enough for everyone and can be recorded. Consensus of the Council was that was a good date and plan.
  - The Public Records request made to the Sheriff's office for the 4 fire calls has been determined that on 1 of the 4 are available due to a recording system error, but that she would pick the 1 up tomorrow.

➤ **Mr. Fontes –**

- The Water and Sewer Budget would not require a rate increase.
- The changes made to the Payment system has worked well and made a significant increase in the Water & Sewer Deposit.
- There will be a 3% increase to the Water Bill for Sanitation.
- Determined with Mr. Williams that we are about ready for more Grant money to be able to expand and ad more customers and large land owners to use Town for Water & Sewer.
- Property across from Ewing Park is up for sale again.

➤ **Mr. Bass –** None

➤ **Mrs. Smith –** None

➤ **Mrs. Shaw –** None

➤ **Mr. Mellecker --** None

➤ **Mr. Branham –** None

➤ **Mrs. Knagge**—

- Tax Collectors Meeting on the 23<sup>rd</sup> at 5:30PM at the County Building.
- The Town was awarded the \$1,000 scholarship for Mr. Rau to attend the FLC Conference.

➤ **Mr. Williams** — None

➤ **Mr. Rau** — None

**Adjourn** -- Motion to adjourn by Mr. Fontes and 2<sup>nd</sup> by Mr. Mellecker. Motion Carried. Time: 8:40 PM

  
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**Robert Rau, Council President**  
*Janet Shaw - acting*

  
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**Stephanie Knagge, Town Clerk**

If a person decides to appeal any decision made by the board, agency, or commission with respect to any matter considered at such meeting or hearing, he or she will need a record of the proceedings, and that, for such purpose, he or she may need to ensure that a verbatim record of the proceedings is made, which record includes the testimony and evidence upon which the appeal is to be based.