

CITY COMMISSION WORKSHOP MINUTES

June 30, 2014

Mayor Joe LaCascia called the meeting to order at 5:00 p.m.

Present: Mayor Joe LaCascia, Vice Mayor Mike Blethen, Commissioner Don Kimsey, Commissioner Keith Prestage, and City Manager Jackson

Absent: Commissioner Wanda Harris and City Attorney Thomas Cloud

Staff Present: Pam Lawson, Kathy Delp, Linda Busch and Charles Nichols

Order of Business

Presentation of Proposed Budget for FY 2015 and FY 2016

City Manager Jackson presented a two-year budget (FY 2015 and FY 2016); discussion took place with the Commission as follows:

General Fund

- The FY 2015 Budget was presented unbalanced; this is to show what money is left before any reserves.
- The FY 2015 Budget is based on a millage rate of 8.6 mills, and the FY 2016 Budget is based on a millage rate of 8.5 mills. Discussion took place regarding the values for FY 2016 Ad Valorem Taxes; those should be based on a 6% increase rather than a 3% based on current activity.
- Debt Service for Fifth Third Bank goes away in the General Fund after this fiscal year
- Non-merit bonuses are budget for all city personnel in lieu of Christmas Bonuses. There are no Christmas bonuses under Legislative. Discussion took place as to adding them back in; however, City Commission did not seem interested for them to be added back.
- There are no monies budgeted for reserves
- There's only one CIP item in the General Fund and one CIP item for which money will be set aside.
- There are no monies budgeted for any training, travel and per diem. After discussion it was the consensus to put money back in the budget for training, travel and per diem. City Manager Jackson clarified the cost for attending FLC Conferences per person. City Commission recommended reinstating the training, travel line item into the budget
- There are no monies budgeted for education reimbursement

- City Manager Jackson discussed the USDA Loan -- \$14,828.83 is scheduled to be set aside through FY 2017 and City Manager suggested the full balance be paid in FY 2014 using operating cash, which would be an additional \$44,484.49 for this fiscal year. This would “free up” operating cash of \$14,828.83 for FY 2015 through FY 2017. After discussion, the Commission’s consensus was to pay the full balance to satisfy the USDA Reserves in FY 2014.

Enterprise Fund

- The only departments listed in the Enterprise Fund are Water, Wastewater and non-departmental; all departments were combined for the plants into one operational budget; however, the expenses are broken down by plant and by lift station.

Mayor LaCascia provided a brief overview of the reasons Polk City went into a contract with Woodard & Curran. Mayor LaCascia requested two proposals be brought back to the Commission for further review – 1) look at taking back Utilities only and 2) Take back all of Utilities. Praised Woodard & Curran for what they have done for the City, but also commented it was not the intent to stay with them indefinitely. Pam Lawson gave an estimated cost savings that the City would recognize if we were to take back Utilities.

City Manager Jackson responded there would be approximately 45% savings by taking back utility billing, overhead and a portion of the fixed fee.

Discussion ensued.

- Charges for services reflect the Meter Replacement Program.
- There are no monies budgeted for reserves
- The debt service for Fifth Third Bank increases in the Enterprise Fund
- The debt service for DEP increases in the Enterprise Fund
- The expenditures reflect the cost of taking back Utility Billing from the Woodard & Curran Contract.
- There are no CIP expenses in the Enterprise Fund with the exception of two items for which money is being set aside for future expenditures (one of those items will show the purchase in FY 2016)
- No travel or training is budgeted
- No education reimbursement is budgeted
- In lieu of Christmas Bonuses we are instituting a non-merit bonus for all City personnel.

Merit Raises – City Manager Jackson discussed evaluations have to be done in order to give merit raise. Discussion ensued regarding Raises versus Bonuses.

- Health Insurance has decreased 9% for the upcoming

Vice Mayor Blethen commented that some of the expense of insurance needs to be put back on the employee. City should not have to pay all the expense for life and health insurance.

City Manager Jackson responded that we are still researching ways to save even more money. A meeting is scheduled with the City's insurance agent to review such.

Other Discussion

- The Solid Waste Contract was briefly discussed – the contract ends in December 2014, and the City has not been out for proposals in approximately 15 years. It was the consensus to look at going out for proposals, which will need to be discussed at the July meeting, but this item has to be addressed before December. City Manager Jackson is not against going out for bid as Polk City has not done so since 1999.

The next step is placing this item on the City Commission Meeting Agenda before December for approval to go to bid. Contract ends in December.

City Manager Jackson stated there is an increase in repairs and maintenance. It is going up to \$67.

Commissioner Prestage asked if there is anything in the budget for a planned item that we are proposing to do, capital expense. City Manager Jackson responded yes, the 5-year Capital Improvement Plan in the back of your book.

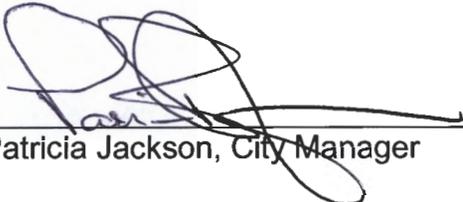
Commissioner Prestage stated for the July 21st meeting he will need to Skype into the meeting.

City Manager Jackson stated we are not in a deficit. We have \$97,000 in the Enterprise Fund that can be split between reserves and other capital outlay projects.

Sewer impact fee money can go towards capital projects for sewer.

There were no more questions on the budget and the meeting adjourned.

ADJOURNMENT: 6:46 pm



Patricia Jackson, City Manager



Joe LaCascia, Mayor