

POLK CITY BUDGET WORKSHOP MINUTES

JULY 26, 2010

Vice Mayor Block called the workshop to order at 6:30 p.m.

Vice Mayor Block advised the budget was distributed at the last meeting.

PRESENT

Mayor Joe LaCascia, Vice Mayor/Acting City Manager Trudy Block, Councilor Nancy Adorno (6:35 pm), Councilor Mike Blethen, Councilor Don Kimsey and City Clerk Patricia Jackson. Also present were Pamela Lawson, Finance Administrator, Gene Kniffin, City Planner and Mary Ellin Barrett, Librarian.

Discussion of Fiscal Year 2011 Proposed Budget

Vice Mayor Block advised the budget will be reviewed page by page; however, utilities will be done at the end. The following was discussed:

- The Millage Rate is currently 7.7661 mills, which brings in approximately \$640,000; the taxable value for the City went from \$83,000,000 to \$66,000,000 because property values are decreasing in order to receive the same amount of money as this fiscal year the millage will need to be 9.6128, which will bring in approximately \$646,000 into the City. If we remain at the current rate, the City will collect \$522,622 in Ad Valorem Revenue. Vice Mayor Block is recommending the millage rate be approved at the 9.6128 for next fiscal year (we are at the top; 10 mills is the max). In order to approve this at the budget hearing, there will need to be four out of five Councilors who have to vote for that rate. Vice Mayor Block advised Council the DR-420 has to be filed with the Property Appraiser next week; however, it can't go up, but it can go down. Mayor LaCascia commented it is a 20% increase in the millage rate itself, but a resident would still be paying the same amount as it is now. If the expense is reduced, there is a possibility the millage rate will go down.
- First page of the proposed budget is the Summary Page. The total Budget for Fiscal Year 2011 is \$3,293,000 (rounded off); General Fund is \$1,558,304, Sewer Fund is \$772,255 and the Water Fund is \$962,445. These figures do not include the transfers from the Water Fund into the General Fund and Sewer Fund, and it doesn't include the WAC and SAC. Mayor LaCascia commented he doesn't understand why the WAC and SAC would not be included as they are legitimate fees. Gene Kniffin advised they are supposed to go onto the property taxes. After discussion, those fees will be added to the proposed budget (approximately \$284,580). City Hall will also contact the Property Appraiser regarding those fees being placed on the tax bills. Councilor Blethen commented it "messes up" the numbers all the way through. More discussion took place

regarding WAC and SAC; Gene Kniffin advised when they are put on the property taxes certain people will pay up front and some will not. Vice Mayor Block advised about 20% are not paying; brief discussion took place regarding the placing of liens on the properties that do not pay. Mayor LaCascia and Vice Mayor Block are both comfortable with budgeting 50% of what was billed.

- Mayor LaCascia asked about the revenue charges for services in the amount of \$750,000 and \$900,000 (sewer and water). Pamela Lawson advised last year a 25% rate increase was included in the FY 2010 Budget; however, City Council changed that to a 12 ½ % increase, and she (Pam) took those figures and added the 50% increase. Pam advised the budget amounts are higher than what the city took in. Pam Lawson then went over the transfers between funds. Vice Mayor Block advised the sewer fund is in the negative of \$381,044, which does not include the revenues of WAC and SAC.
- Mayor LaCascia advised the Sheriff's Office Contract for this Fiscal Year is \$421,335; however, only \$311,000 was budgeted. Vice Mayor Block advised the Fiscal Year 2009 Audit will be something we can be proud of. Mayor LaCascia advised we are going in with the correct amount budgeted for Fiscal Year 2011.

General Fund

- Payroll includes Cory's severance pay, the position of Assistant to the City Clerk has been taken out, and Linda Walker's salary is under streets/roads and water/sewer. Mayor LaCascia used Pam Lawson's salary as an example and questioned the \$51,032. Pam advised that 50% of her salary is in the General Fund and the \$51,032 includes all of the benefits added in (insurance, FICA, etc.).
- There are no cost of living increases, or merit increases. Councilor Blethen asked about healthcare and retirement. Pam advised we have Florida Retirement and gave Councilor Blethen the percentages (13% for management and 8.85% for other employees); this is paid by the City only.
- Councilor Kimsey asked about the insurance and what percentage was paid by the City. Pam advised 12.5% is the usual increase, and the City pays 100% of the health insurance, long term disability and life insurance; the employee pays for dental, eye and other electives. Vice Mayor Block advised whether we go with FGUA or stay, insurance is going up 23% and with the cuts that were made, the insurance should not change. Vice Mayor Block also advised employees are working more than 40 hours a week but only being paid for 36 hours; our employees are the lowest paid employees throughout the County, and this is something she will fight for another year. Mayor LaCascia commented in private business employees are paid very well; we need to keep quality people and he has no problem at all; the circumstances in this City are unique and at this time he has no problem in making sure employees have something. Vice Mayor Block advised insurance will be re-evaluated. Brief discussion took place regarding what services the City would still provide if utilities are contracted out.
- Mayor LaCascia commented about the frustration in talking about finances; we can't move forward until the issue is resolved with the County. Polk County and FGUA are the two biggest components we have. Vice Mayor Block mentioned

grants for capital projects; how can we know where we are going if we don't know where we are.

- Councilor Blethen commented about having actual numbers and not using something that is superficial. Councilor Adorno commented that is the way it is on a yearly basis; in years past it has never been set in stone.
- Councilor Adorno asked about bonuses – there were none this year. Vice Mayor Block advised they are in the budget for the new fiscal year; people work hard and it is a nice thing to do. Council will receive a 2.32% cost of living increase; Councilor Blethen doesn't believe in that.
- Vice Mayor Block mentioned General Fund Revenues in detail; Mr. Ken Small, who is with the Florida League of Cities, advised we are collecting all of the revenues we could possibly get. Discussion took place about various general fund revenues; i.e. Ad Valorem taxes, utility taxes, building permits, impact fees, franchise fees, Pam Lawson advised restricted funds are budgeted under reserves. Councilor Adorno asked how increases were determined; Pam Lawson advised she looks at what is current, and she also advised we don't budget liabilities (such as County impact fees). More discussion took place regarding general fund revenues and also intergovernmental transfers. Councilor Adorno asked about the rental of the Activity Center.
- Councilor Blethen asked about training and per diem for Council; he was advised the City has other things to do in other departments.
- A question was asked about the bonuses and gift certificates under the City Manager's budget. Vice Mayor Block advised employees will be rewarded based on performance; she will be putting performance reviews into place. The salaries have decreased in the City Manager's budget.

Council reviewed the remaining Departments:

- City Clerk
- Legal Counsel
- Comprehensive Planning – Central Florida Regional Planning Council
- Finance – two people
- Debt Service – may be changing
- Law Enforcement – contract may change
- Building and Zoning – Code Enforcement has been decreased from 36 hours to 18 hours a week; we should be able to get same code enforcement. Councilor Blethen asked about the increase in professional services; Gene advised there will be a new monthly inspection fee charged, as well other professional services
- Code Enforcement – decrease to half time; Mayor LaCascia commented he went over the Code Enforcement reports and agrees with doing that when looked at the activity being reported. Vice Mayor Block advised she also called other cities to see what they are doing, and she looked at reporting.
- Refuse/Sanitation
- General Government Buildings – discussion took place about communications; the City has two blackberries, but the Mayor advised he was giving his back. Mayor feels Gene should be reimbursed for using his phone; Councilor Kimsey

advised he has a problem with Gene using his truck. The call out person has a phone and the rest of them have beep/beep.

- Roads and Streets – Vice Mayor Block advised FGUA hasn't gotten the contract back from Department Heads. Under capital expenditures \$500,000 was requested for street resurfacing; however, the City doesn't have \$500,000.
- Library – Linda Busch's hours were cut from 40 to 26 hours per week; all Department Heads were cut to 36 hours per week. We were looking at putting 40 hours per week back, but staff prefers benefits over more hours. Mayor LaCascia commented the Library gets good reviews. Councilor Blethen asked about the Co-op; County pays for the leasing program and every Library spends a portion of this on books. There is \$14,000 for books and videos. It was also noted things are circulated out, and Vice Mayor Block advised that everyone uses the 10 computers that are at the Library; they are looking into a grant to replace those computers. Mary Ellin advised two of those computers are old.
- Parks – The requested amount is \$64,000; we have no money for requested items. We are looking into grants. The lawnmower came out – need new mower and the cost \$28,000; we currently have two mowers, but what was done previously is drop the oldest mower (2nd one) and purchased a new one. Councilor Kimsey asked what kind of problem the City was having with the merry-go-round; Gene advised the bearing cylinder is bad and there is no way to replace it. Gene also advised the playground equipment has to be certified.
- Special Events – Christmas Parade and Halloween Event has been decreased.
- Transfers – zero
- Non Departmental Operating Expenses – transfer to reserve – Pam Lawson advised that should have been the amount of impact fees for the City, not the County. The amount budgeted for the new year is City Impact Fees

Sewer Fund

Vice Mayor Block advised we can go through this quickly and then go through it again.

- Sewer Revenues are \$695,000 for the current fiscal year (charges for services)
- Special Assessment of \$169,450 was budgeted this year for the Sewer Availability Charge.
- There is transfer from the water fund.
- Some of the expenditures will change.
- Mayor LaCascia advised the debt service was not going to change.
- There were three audits this year, and the City paid an outside source to have the bank reconciliations done. This year's audit will be on time.
- Pam Lawson advised the Sewer Administration is office functions.
- Mayor LaCascia asked about restricted funds; Pam Lawson advised the City has been running off of restricted funds; we have no reserves (this will be revisited).
- Working on a loan for the Golden Gate and Damascus area – this is a critical situation, but not in budget.
- There are no new things in the budget, only the things that have to be done.

- Mayor LaCascia had a question pertaining to Engineering Fees (sewer operation); he was advised those are put under the individual plants as operating expenses.
- **Cardinal Hill** – unsure we can continue with that permit; Gene advised we have to off of that February 2011. The lease stays the same until 2012; however, if we are going to purchase it, we can go up to February 2012. Vice Mayor Block advised she is working on getting the appraisal for that property.
- **Mt. Olive WWTP** – this plant cost the most to operate; if we are going to keep it, there will have to be some work done. We will be looking at estimates of what it would cost to shut this plant down and move to Cardinal Hill.
- Mayor LaCascia asked about Blount Utilities – they take care of each sewer plant and water plant; he would like to know the relationship between Blount and the City – is he an independent contractor. Is it because he has a State License we don't have to worry about liability and do we have additional insurance. Gene advised the City doesn't have a contract with Blount; it is on a month to month basis. His license requires liability and workman's comp.; Gene also advised as a backup when there have been problems before we have a couple of sister cities that will help us out. Vice Mayor Block advised she hears good things about him.

The consensus of the Council is to use a millage rate of 9.6128, which will bring in the same amount of money in Ad Valorem as last year.

The meeting adjourned.



 Patricia R. Jackson, City Clerk

 09-14-10

 Trudy Block, Vice Mayor