

BUDGET WORKSHOP MINUTES

August 14, 2017

Mayor Joe LaCascia called the meeting to order at 7:00 p.m.

ROLL CALL – Sheandolen Dunn, Assistant to the City Manager

Present: Mayor Joe LaCascia, Vice Mayor Wanda Harris, Commissioner Mike Blethen, Commissioner Don Kimsey, Commissioner Randy Carroll, and City Manager Patricia Jackson

Absent: City Attorney Thomas Cloud

FY 2017-2018 Budget

Mayor LaCascia stated City Manager Jackson would discuss the budget and suggested holding all questions and/or concerns until after the Budget presentation was complete.

City Manager Jackson began with the overview of the FY 2017-2018 budget synopsis:

- The total budget for FY 2017-2018 is \$4,793,300, which is an increase of 8.64% (\$357,429)
- Ad Valorem is based on the current millage rate of 7.4877 mills.
- The City will be taking over the utilities January 1, 2018 and includes five employees; Aquarina will be on board the first three months of FY 2017-2018.
- There is a 3% Cost of Living Increase for all employees.
- The budget has money for improvement/capital projects for a total of \$237,884, including \$40,000 for sidewalks. There is \$70,813 set aside in the General Fund Capital Reserves-the City needs two utility trucks, which will be split with Enterprise Fund.
- There is \$109,785 set aside in Unrestricted Reserves in the Enterprise Fund to assist with capital projects (Voyles Loop Lift Station – 20 hp pump) and operation cost (these cost will be more concrete before the next budget workshop).
- Debt Service is \$976,062 (\$130,589 in the General Fund and \$845,463 in the Enterprise Fund)

General Fund Revenues

- Ad Valorem is based the roll-back rate of 7.4877, which will bring in \$588,241 (\$37,413 more than what is budgeted for FY 2017)
- There will be a small increase in estimated Communication Services Tax based on State estimate - approximately \$30,000
- Building Permits shows an increase of the current budgeted amount to account for expected growth in the new year
- Impact Fees will show an increase to account for expected growth

- Community Development Block Grant money \$24,532
- Grants from Other Local Units - Library Coop Funding increased \$7,317
- Charges for Services had a slight increase
- Intergovernmental Transfers -- Enterprise Fund (\$25,000 budgeted this year)

Total General Fund Revenue increased \$192,839.

General Fund Expenditures

- There was an increase in health insurance of 1.7%
- Slight Change in Florida Retirement
- Legislative had a slight increase
- Executive had an increase of \$13,054, which includes salary increases and capital outlay. The Executive and City Clerk will be combined in the final FY 2017-18 budget
- City Clerk slight increase municipal election. This will be combined with Legislative in the final FY 2017-18 budget
- Legal Counsel -- increase of \$6,500 (legal services and legal ads)
- Comprehensive Planning had an increase of \$1,000
- Finance and Accounting had an increase of \$22,627, this includes salary and wages, education reimbursement and a laptop
- Debt Service – no changes from current year; left something in the budget for public works and utilities facility. Working on the refinancing of the USDA Loan
- Building & Zoning – increase of \$22,114; cost of living increase and an increase in professional services for inspections
- Code Enforcement - no changes
- Refuse/Sanitation - slight increase for growth
- Stormwater - no increase
- General Gov't - decrease of \$8,100
- Streets and Roads – decrease of \$55,922; no paving projects, but includes sidewalk(s) project(s), as well as radios for work crew
- Library – slight decrease event with cost of living increase
- Parks & Recreation – decrease of \$18,468 and includes the \$24,532 CDBG Funding for the Freedom Park Restrooms and \$15,000 for other capital project(s)
- Special Events – increase of \$2,300
- Non-Departmental – increase of \$320,993; this increase includes Impact Fees based on estimated growth and reserves for capital and other projects

Total General Fund Expenditures are up \$192,839.

Enterprise Fund Revenues

- Impact Fees – increase in water and sewer impact fees of \$65,582 due to expected growth
- Special Assessments – increase in connection fees for water due to growth and decrease in Water and Sewer Readiness to Serve Charges of \$74,545 (those will shift to charges for services)

- No Grants and Aids from Federal or State
- Charges for Services – Increase of water and sewer revenue of \$161,106 (a portion of this is the shift from readiness to serve and the balance is based on history of usage and base fees)
- Other Judgements, Fines & Forfeitures – decrease of \$5,438 (other fines and/or forfeitures)
- No interest income
- Cash carry-forward - none

The Enterprise Fund Revenues increased \$164,590

Enterprise Fund Expenditures

Water Operations

- Increase in salary and wages due to cost of living increase for two employees and hiring of two employees when operations is taken back in January 2018
- Contract Labor will decrease due to City taking back operations in January 2018 (Aquarina will be here through December)
- Professional services was increased \$10,900 to account for testing (lab work) and taking back operations
- Inmate Labor did not change
- Increase in Repairs and Maintenance of \$10,000
- Money budgeted for Repairs and Maintenance to Water Treatment Plants
- Funds were put in for chemicals and uniforms
- Funds were put in for the purchase of new meters and supplies (off-set by connection fees)
- Will meet with Aquarina and Public Works Director regarding Capital; \$2,500 was budgeted

Overall decrease in Water Operations: \$52,731

- Sewer Operations
- Salary and wages was budgeted for nine months in the amount of \$148,063.00 to cover three employees when the City takes over January 1, 2018
- Contract Labor was decreased to cover three months rather than a year
- Inmate labor had no changes
- Repairs and Maintenance increased \$20,000
- Cardinal Hill Repairs and maintenance had an increase of \$18,000, which includes painting of surge tank and re-piping of facility
- Funds were budgeted for chemicals and uniforms
- Funds were budgeted for chemicals and uniforms
- Capital Outlay – Cardinal Hill Fencing of \$27,000 (total cost is estimated at \$54,000 – half in reserves FY 2018 and half in reserved in FY 2019)
- Debt Service – Slight increase
- Overall increase in Sewer Operations: \$55,111

Non-Departmental

- There was an increase in Professional Services of \$4,620
- Slight increase in liability insurance
- Capital Outlay is \$27,413, which is part of the new software costs

Non-Departmental Other

- 1) Transfer to unrestricted reserves \$147,256
- 2) Reserves for Capital Outlay of \$25,000 for Mt. Olive Water Tanks.

Overall increase in Non-Departmental: \$162,210

The total General Fund and Enterprise Fund is \$4,793,300, which is \$357,429 more than FY 2017 (8.64%)

After complete review of the FY 2017-2018 Budget, City Manager Jackson addressed questions and concerns regarding line items in the budget.

Commissioner Blethen asked if the lift station pumps had been malfunctioning lately? Expressed the need for City Staff going back to a 40 hour work week.

Keith Burge responded No.

Mayor LaCascia stated with the growth coming to Polk City, we may need to be open on Fridays, but not right now. The Utilities crew already works 40 hours per week.

Commissioner Kimsey inquired about the meter readers and how long it would take to actually read the meters.

City Manager Jackson stated we need two meter readers. It would take a half day to read the meters.

Commissioner Carroll asked if the new facility was in the budget to handle all this growth?

City Manager Jackson responded this will be discussed on Monday at the Regular meeting.

Commissioner Blethen stated he wants to see planning.

City Manager Jackson responded staff has been planning. There are two options and the money is in the budget and allocated for this project. Polk City will either build something or buy something that already exists.

Commissioner Carroll inquired about fencing at Cardinal Hill – secure the entire facility. Currently Cardinal Hill is not fenced entirely.

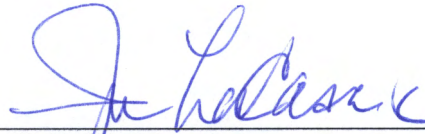
Lengthy discussion ensued.

No other budget workshop is being planned.

ADJOURNMENT – 7:55 pm



Patricia R. Jackson, City Manager



Joe LaCascia, Mayor