

CITY COUNCIL MINUTES

BUDGET WORKSHOP

September 2, 2009

Mayor Penton called the meeting to order at 7:00 p.m., at which time he read the following: Council will not take any formal action or entertain any public comments at this meeting as this is a workshop only.

ROLL CALL

Mayor Donald Penton, Vice Mayor Nancy Adorno, Councilor Kristi Eilertsen, City Manager Cory Carrier and City Clerk Patricia Jackson. Also present were Assistant City Manager Pam Peterson, Finance Administrator Pamela Lawson, City Planning Gene Kniffin, Code Enforcement Officer Kathy Delp and Librarian Mary Ellin Barrett.

A quorum was established, and Mayor Penton turned the meeting over to City Manager Carrier.

REVIEW OF PROPOSED BUDGET FOR FISCAL YEAR 2009-2010

City Manager Carrier asked Council how they would like to review the budget; Councilor Eilertsen suggested going through it and seeing what questions there were.

At this time City Manager Carrier went over the September Calendar in the front of the budget; the Tentative Budget Hearing is set for September 9 (7 p.m.), the Final Budget Hearing is set for September 23 (7 p.m.), the first day allowed to advertise is September 17 and the last day is September 21; she advised for the meeting on September 9, the notice was in the trim notice, and the final budget hearing is required to be advertised by State Statute.

City Manager Carrier and Council then discussed the Transmittal Letter, which is from the City Manager to City Council. Under Employee Benefits, Councilor Eilertsen asked if all positions are filled but three; City Manager Carrier advised those positions were requested, but cut and are not in the budget. Councilor Eilertsen asked if the budget was based on the millage that was proposed (7.6991 mills), and was there a spreadsheet should Council choose the other millage rate (6.7425). City Manager Carrier advised she didn't see where the City could adopt the lower rate because of the amount of State Revenues lost. Councilor Eilertsen advised she is good with moving forward based on the proposed millage the budget is based on.

Other discussion took place regarding population and the census; City Manager Carrier used the amount of inside city residential customers with 2.797 persons per household (census). City Manager Carrier advised the City is still struggling with the 2000 Census and hopes to have that corrected with the current Census; State Revenue Sharing is based on population.

Brief discussion took place on water and wastewater – the level of service that has to be maintained, the levels required by SWFWMD on water usage per person per household and wastewater usage per person per household; the City is taking conservation measures to maintain those levels.

Councilor Adorno asked about the Revenue Trends over Time, which is on Page 10; City Manager Carrier explained that up until 2004 the City had been receiving certain levels of funding from the State – the Communication Service Taxes being received was \$165,000; this year it is \$107,000. Other revenues that have dropped are the Sales/Use Taxes, Fuel Taxes, Mobile Home Licenses, etc. It is getting less and less, but the City has to adhere to unfunded mandates. Due to the State's Budget shortfalls, they are keeping more of the money for their General Fund. Mayor Penton advised if we do not follow what is mandated, fines can be imposed and the City could lose total funding. Council then went to Page 22, which also shows a decline in other tax revenue from the State; we are on a downward trend. City Manager Carrier went over the charts and how the revenue from the State is decreasing each year. Some discussion took place over the Lakeland Electric Franchise Fees and requesting an audit. City Manager Carrier advised we can go back ten years; the Franchise Agreement with Lakeland Electric ends in 2010.

In going over the General Fund Revenues, Councilor Eilertsen asked what date does the column "2009 Actual" cover; City Manager Carrier advised it goes through mid July. Councilor Eilertsen advised the General Fund Revenues in the 2009 Actual Column (pages 25-27) doesn't appear to match General Fund Revenues in the Prior Year Actual Column (pages 44-47). City Manager Carrier went over those figures with Council; she advised an up-to-date printout will be given to them. Some of the line items discussed were Local Business Tax, Transportation user Fees, Other Judgments/Fines/Forfeitures, and other Miscellaneous Revenues. Pamela Lawson, Finance Administrator, noted that the conversion was still being done when this was put together, and she will be making adjustments; City Manager Carrier emphasized the City went through a computer conversion while going through the budget process.

Councilor Adorno asked about the Activity Center only showing \$400 this year; City Manager Carrier advised it was not available the entire year, and that revenue should increase. Some discussion followed. Councilor Adorno also asked about the Debt Service; City Manager Carrier explained the Debt Service Summary.

Some of the other items questioned and discussed with Council were Legal Council (lawsuits are over), Parks (City built a Park), Roads and Streets, Non-Departmental (includes money going into Reserves).

In the Sewer Fund Revenues, Council asked what the Special Assessments were; City Manager Carrier advised it is a privilege fee, which is extremely different from the Assessment Fee that was previously discussed. She went over the details of what the privilege fee was – this will be a fee charged to properties having water and sewer directly in front of their property, but has not been hooked up. She and staff have been working with the Engineers on this; one of the reasons we are in this position is due to the developers; we have debt service because of those developers. It will be charged to the lots of record where water and sewer is directly in front of those lots and is available. A water and sewer rate study was done, and the base fee that is charged will be to pay off debt service (base fee x 12 months minimum is what the privilege fee is). City Manager Carrier gave an example of how this will be charged. Councilor Eilertsen asked how the City came up with the figure in the budget. City Manager Carrier advised the City physically counted 562 lots; however, for budget purposes the City only used 500 lots for both sewer and water. Councilor Adorno asked about the amount budgeted; City Manager Carrier advised once the Ordinance is passed a more accurate number will be obtained, and the City will send one invoice in January to owners of the lots of record. There will be a legal amount of time to pay, and if it is not paid, a lien will be placed against the property; next year the Tax Collector will put the charges on the tax bills.

Councilor Eilertsen asked about Sewer Operations (page 37); the prior year shows \$2,447,808 and this year it is \$928,630; City Manager Carrier advised the sewer plant was built and some repairs had to be made when it went on line. The Mount Olive System was also discussed; City Manager Carrier advised the charges for services was not for an entire year.

The Council then discussed revenue detail (page 40); some of the items discussed were Local Business Licenses, Transportation User Fees (money the City receives from FDOT for mowing), NSF's, Code Enforcement Fines (there has not been as many) and Other Miscellaneous Revenues.

Under Expenditures, Councilor Eilertsen advised her biggest concern was Sewer. Under Roads and Streets, the City Manager advised the department request for road materials was \$55,000 (major resurfacing), but she budgeted \$10,000. Vice Mayor Adorno mentioned where there has been difficulties patching, consider making more permanent; maybe more can be done the following year. Mayor Penton mentioned the cost of the Trail that was just done; it was \$120,000.

Mayor Penton then asked when the Trail will be open; Pam Peterson advised a walk-through will be done on Tuesday and it will be open once that is completed; however, a formal dedication service will take place once schedules can be arranged with Paula Dockery's Office, the County Commission, and the Florida Department of Environmental Protection, Trails Division. Mayor Penton suggested once the State completes the balance of the Trail, it be dedicated to Van Fleet; it is something to look at. City Manager Carrier then gave an update of the State's portion.

City Manager Carrier then advised the City has received the Lease Agreement for the Skate Park and that will be signed and returned. City Manager Carrier also advised the Council there was major damage to the Pier; someone set the picnic tables on fire, and also mentioned how bad vandalism is at the park; Gene Kniffin advised the doors were torn off of the stalls and the sinks were pulled off the walls.

Vice Mayor Adorno asked about salaries; City Manager Carrier advised there were no increases other than for three people who were recently hired and the City Council, which is governed by Charter. City Manager Carrier advised there are no merit increases; all employees took a pay reduction. The only three employees are those that were hired below the first step and after 90 days will be raised.

Councilor Eilertsen asked about the expenditure in Parks (page 100); there was \$3,500 budgeted previous year, but only used \$1,700 and budgeted \$3,500 for the New Year. City Manager Carrier advised because of the damage to the picnic tables they will need to be replaced. Some discussion then took place about the boat launch; City Manager Carrier advised it is not maintained by the City. The Pier is used by parents taking their small children fishing. Under Equipment, money was cut back from the department request for a skag mower. Also discussed under Expenditures were Professional Services; City Manager Carrier advised that covers alarm services and computer services. Vice Mayor Adorno asked about a surveillance system in the lobby; the City Manager advised the Sheriff's Office will be applying through the JAG Grant to obtain the surveillance system.

Additional items discussed under Expenditures:

- Transfer to Reserves
- Travel and Per Diem – there is no travel and per diem for any department, including Council; no conferences are included. City Manager Carrier wanted to make sure the citizens felt the effects of the budget cuts as little as possible
- Library – that Department was the only Department not cut; Mary Ellin and Linda have done an excellent job. Those that are out of work go to the Library every day to use the computers; we currently have eight, but will

be getting an additional computer with grant money. There are children programs as well; during the summer the Library averaged 25-30 children. City Manager Carrier advised because of the success of the Library, she has set aside a certain percentage of her income to donate back to the Library.

- Additional Sewer Operating Expense – Professional Services was drastically reduced; City Manager Carrier advised the Sewer Project is complete. Grant dollars were taken out that was going to be used to design the rest of the collection system; however, if grant dollars become available, the budget can be amended
- Electric Service
- Rentals/Leases
- Operating Services
- Cardinal Hill – took out cost for fence and security system; we are looking at rebuilding the blowers
- Liability Insurance – we were discounted this year because we did an 18 month agreement rather than 12 months; this will not be the case for next year
- Bad Debt – where customers walk off and not pay their utility bill
- Bank Fees – City will be looking to do an RFP for banking services
- Printing and Reproduction – printing of water bills, checks, envelopes, etc.; there was a large supply ordered last year
- Debt Service

City Manager Carrier advised a lot of time and effort went into the budget document; she commended the Finance Director, Pamela Lawson for the wonderful job she did. The City Manager advised she really made an effort to add more information to the budget document in order to make a more transparent budget; she put in more graphs which should make it easier for the citizenry.

Vice Mayor Adorno noted a huge difference between this budget and the past two years, and she sees a difference every year; it is easier to read and go back and forth. Councilor Eilertsen appreciates it; she knows it is a difficult time; she knows the employees took a pay reduction and she really appreciates all of the employees; they do a good job. She hopes that next year more can be done – thank you.

The workshop adjourned at 9:00 p.m.

Patricia R. Jackson, City Clerk

Donald L. Penton, Sr., Mayor

