

CITY COUNCIL MINUTES

Budget Workshop

August 7, 2012

Mayor LaCascia called the meeting to order at 6:00 p.m.

ROLL CALL – Linda Walker

Present: Mayor Joe LaCascia, Councilor Trudy Block, Councilor Kelly Downing, Councilor Don Kimsey, City Manager Patricia Jackson

Absent: Vice Mayor Mike Blethen; Attorney Cloud was not required to be present.

Workshop on Fiscal Year 2013 Proposed Budget

City Manager Jackson opened the workshop with a discussion on the City's Reserves and Ad Valorem Taxes:

- The Auditors has said that “we are not out of the woods yet.” We will need to build our reserves over the next two to three years for operating expenses to cover any emergencies.
- General Fund has bond indebtedness as well as the Enterprise Fund
- Over the past four years the city's ad valorem taxes have steadily decreased; we cannot continue on this path, or the city will be in the same shape it was in three or four years ago
- Polk City has decreased the work force and current staff has done a good job in finding ways to keep expenses down.

Pam Lawson, the Finance Director, stated the roll-back rate will be decreased no matter what action is taken with the ad valorem taxes; she stated we spent \$131,454 less than what was anticipated for this fiscal year.

At this time the Budget was introduced and discussed page by page with some discussion as follows:

- Unreserved funds are budgeted for
- Mayor LaCascia questioned whether the Enterprise Fund would be affected by a change in the millage rate; he was advised the Enterprise Fund would not be affected by any change in the millage rate
- Councilor Downing asked if the surplus money is unrestricted; the surplus money is unrestricted. City Manager Jackson advised that any emergency situation could take all monies from the surplus/reserved funds; any insurance monies would come after we use our own reserves
- City Manager Jackson stated we currently have \$159,000 in reserves to date

- If the millage rate were to be increased to 9 mills, that amount would increase reserves by approximately \$17,000
- Councilor Kimsey asked when was the last time the city experienced a disaster; he was advised it occurred in 2004 with four back-to-back hurricanes.

At this time, it was noted that Vice Mayor Blethen had a few questions regarding the revenue portion of the budget. His questions were addressed as follows:

- Communication Service Tax – he questioned the increase of \$20,000. City Manager Jackson advised this number reflects what the State anticipates and should be correct.
- Building Permits – are they high or estimated; it was noted the increase is based on what took place this fiscal year and what is expected next fiscal year.
- Transfer of approximately \$100,000 – asked for justification. City Manager Jackson advised for the first time the Enterprise Fund will be reimbursing General Fund for a portion of salaries (City Manager, Finance Director, etc.), as well as a portion of the debt service payment for the use of the Government Center.

Legislative

- Council's salary increase is required by Charter (cost of living)
- Central Florida Development Council (CFDC) will now be charging membership fees to its members (\$2,000)
- Mayor LaCascia asked the City's plans to host the Ridge League of Cities Meeting; the City Manager advised it would be the second Thursday in June 2013, and sponsors will be sought to defray some of the cost.

Executive and City Clerk

- The City Manager's budget decreased for fiscal year 2013
- Mayor LaCascia asked about the City Clerk's budget; there are still expenses that will come from that budget (office supplies, professional services)

Legal Counsel

- Legal Advertisements was increased by \$1,000; otherwise, it is the same as this fiscal year

Comprehensive Planning

- No changes for the new year; contract cost will remain at \$30,000
- Councilor Block thought the city was going to look at other planners; City Manager Jackson advised we are in the middle of doing updates to our Comp Plan and Land Development Code, and wanted to get this finished with current Planners

There are no major changes to the Finance Department.

Debt Service

- This reflects the portion that General Fund will owe; the current fiscal year will be amended to show the transfer from Enterprise Fund and expenditure from the General Fund for actual amounts.

Law Enforcement

- City Manager Jackson advised in the first draft another deputy was budgeted for at a cost of approximately \$80,000; however, due to the decrease in ad valorem revenues there was no money to fund this position and it was removed from the final draft.
- During discussion, it was mentioned that maybe the City could find some way to fund this position
- Councilor Downing asked if Sergeant Conover's schedule could be adjusted; City Manager Jackson advised she was informed his hours could be adjusted.
- Sergeant Conover mentioned the city has experienced about 12 more crimes compared to last year
- Councilor Block feels the City needs more data to see what types of crimes are being committed, the dates, the time crimes are being committed, etc.
- Councilor Kimsey commented he knows of an incident where a mobile home was set on fire
- City Manager Jackson will speak with the Sheriff to see if anything can be done to assist the City in this endeavor

Building and Zoning

- Kathy Delp's salary will now come from this Department
- The City pays Polk County for Building Official Services (did not charge before), as well as inspection services, etc.

The Code Enforcement Department was decreased due to the salary being placed in the Building and Zoning Department.

Refuse/Sanitation

- Beginning October 1, 2012, the residential rate will increase to \$15.40 per month; the City charges 25% above this figure (due to fuel charge increase)
- The contract with Republic Services will expire in September 2013
- Councilor Kimsey asked about the cost since they went to one pick-up a week. Republic went to automation in 2008; prices were not decreased

General Government Buildings

- Budget for this department increased \$17,000 to cover repairs and maintenance for all city buildings
- City Manager Jackson advised \$7,500 has been allocated in the budget for a sign in front of city hall; City Council was reminded they would have to bring it up in a meeting to move forward.

Roads and Streets

- Money has been budgeted for street paving in the amount of \$42,688
- Kathy Delp reported that all the decorative street lights are in working order; there are twelve lights total. When a light goes out it requires a bulb and ballast
- Mayor LaCascia agreed money needs to be budgeted to maintain these lights

Library

- A request was made for additional personnel at the Library, but was cut from the budget for lack of funds
- The amount for repairs and maintenance was increased because of work that needs to be done

Parks and Recreation

- The budget for repairs and maintenance increased in order to replace the roof on the bandstand and other repairs
- Money was budgeted to replace the broken merry-go-round with new equipment

Special Events

- This budget is less than last year; donations are received to help with special events

Non-Departmental

- There were no changes in this budget
- Councilor Blethen asked (via email) if there were problems with unemployment claims; City Manager Jackson advised the city is still paying unemployment benefits for several employees

This concludes the presentation of the General Fund Budget.

Enterprise Fund – Revenues

- It is anticipated the CDBG Project will be completed by the end of the fiscal year; therefore, no money was budgeted
- Water and Sewer Privilege Fees are no longer collected through property taxes; the City will be billing for these, and as a result will be aggressive in collecting these funds. Along with sending these to the collection agency we will start imposing liens on the property.
- Water and Sewer Privilege Fees are not being budgeted at full value
- Councilor Blethen asked (via email) about the water connection fees; City Manager Jackson advised the fees are based on the new construction that is expected

Enterprise Fund Expenditures

Sewer Administration

- Some of the expenditures in this department have been shifted to Non-Departmental, Account 590

Sewer Operations

- It was noted Woodard and Curran's contract starts in January of each year; City Manager Jackson advised staff would prefer they run concurrent with the City's fiscal year.
- The increase in costs is due to the Council's approval for additional personnel to be hired – Kathy McKinney was hired to assist in utility billing
- Vice Mayor Blethen asked about the contract labor going up; as stated previously, the increase is due to the hiring of additional personnel, which was approved by Council for July 1, 2012

It was noted the construction in progress for Cardinal Hill was moved into the Non-Departmental Account (590) in order to keep everything more tidy and clear. This is also the case with the Mount Olive Wastewater Treatment Plant for improvements other than buildings.

Water Administration

- It was noted for tracking purposes all of postage will go under Department 518. When asked if this will be cost effective, Pam Lawson advised a print-out could be generated to see all the small aggregates

There were no significant changes in the Mt. Olive Water Treatment Plant; there was a decrease in that budget.

Commonwealth Water Expense

- The water tank will need to be re-lined; it is expected to cost \$5,000
- A new pressure switch will also need to be installed

The V. Matt Williams Water Treatment Plant has nothing major taking place; there was a decrease in that budget.

Water Operations

- As with the Sewer Operations, the increase in the Woodard and Curran contract labor is due to an increase in personnel. This will also be on a fiscal year basis beginning with this fiscal year 2013 budget.

Non-Departmental Operating Expenses

- The bulk of the money that was shifted to this department from sewer and water operations is for the Bond Project (\$1.173 million)

This concludes the presentation of the Enterprise Fund Budget. Councilor Block asked the City Manager to send any changes on the budget electronically. Councilor Kimsey reiterated the City can always go down, but not go up on the millage rate; this is correct. As of now the change would be the millage rate being reduced from 9 mills to 8.6547 mills.

City Manager Jackson asked Council when they would like to have another workshop on the budget; it was the consensus of Council another workshop was not needed at this time.

The meeting adjourned at 7:20 p.m.

Patricia R. Jackson, City Clerk

Mayor Joe LaCascia