

BUDGET WORKSHOP

August 30, 2016

Mayor Joe LaCascia called the meeting to order at 6:45 p.m.

ROLL CALL – Assistant to the City Manager Sheandolen Dunn

Present: Mayor Joe LaCascia, Vice Mayor Wanda Harris, Commissioner Keith Prestage, Commissioner Don Kimsey, City Attorney Thomas Cloud, City Manager Patricia Jackson

Absent: Commissioner Mike Blethen

ORDER OF BUSINESS

Discussion of FY 2016-2017 Budget – (a) Liability and Property Insurance, (b) ADG Software Purchase, (c) Millage Rate

ADG Software Purchase

City Manager Jackson stated in 2009 Polk City purchased a financial software package which included a Utilities program. At that time it was a step in the right direction. In 2012 we came back to the City Commission as this software was not working properly. We've dealt with it now for quite some time, but it continues to deteriorate. We have been in conversation with ADG regarding a software package that is widely used across Polk County.

Mike Brynjulfson (Auditor) spoke in favor of the ADG software. He and his staff are more comfortable auditing agencies that use this software as everything is readily available as needed. Mr. Brynjulfson and staff had no drawbacks regarding this software.

Chasity Hall (Utility Billing) has worked on ADG software for 18 years and discussed its efficiency and ease of use.

Joanna Knowles (Finance) discussed and distributed a comparison sheet of MCSJ/ADG and spoke in depth regarding the difficulties experienced.

MCSJ was purchased in 2007 for \$37,000

City Manager Jackson spoke with MCSJ's owner and was told about updates. The updates are not conducive to our needs. The software is harder to work today than software used in 1980. We submitted documentation on exactly what was needed, to no avail. However, the software served its purpose and it's time to move on.

The cost for ADG would be the same as presented to Polk City in 2012. The initial cost is \$70,000 for the software, \$17,500 discount, \$7,000 annual fee, \$10,000 down payment and we can make payments over two years. ADG staff cost is \$40,800 which includes travel, per diem and the actual conversion of the software. Total cost is \$93,500. This expense is accounted for in the proposed budget. The software purchase will be on the September 19 City Commission meeting agenda.

Liability and Property Insurance

City Manager stated Polk City has had its property, liability and pollution insurance with Public Risk Insurance Agency (PRIA) for fifteen years or more. Florida League of Cities provided a quote for insurance. There is a considerable savings with Florida League of Cities (FLC). There is an Errors and Omission supplement to the insurance which would be covered. We would save anywhere from \$12,000 – \$19,000 switching to FLC. The basic coverages are the same. Copies of the proposals were distributed to the Commission.

Millage Rate

City Manager Jackson stated at the last workshop it was suggested to lower the budget by \$42,000 and lowering the millage rate to 7.5. Lowering to 7.5 mills actually decreases the budget by \$51,000. City Manager requested clarification on which direction to go regarding the millage rate.

Commissioner Prestage discussed how the millage rate affects the people in Polk City. It is property taxes. Lowering the millage rate by \$40,000 to \$50,000 will only affect those property owners with a high tax rate. If a property owner has a tax bill of \$1,300.00, the savings will be \$30 versus a property owner with a tax bill of \$7,000.00, the saving would be \$140 per year. As a commission I don't see that this should be our focus. The current millage is 8.25. Lowering the millage rate at this point is not going to benefit the people of Polk City. The current millage rate is a greater benefit to the City and trying to do some things to possibly take back the Utility program and make other greater effects more than lowering the millage rate.

City Manager Jackson discussed four different budget scenarios ranging from 8.25 mills to 7.5 mills. The roll-back rate is 7.6663, which would be a better number, if you want to reduce the millage rate. We would not be able to do the Public Works Director this coming fiscal year. It is an important position to get key things done for Polk City's future. I would not want to go below the 7.6663 millage rate.

City Attorney Cloud stated it is critical if Polk City is going to operate a utility, a Public Works Director is extremely important, otherwise you are always stuck with contract opportunities. Looking forward to when Polk City functions as an actual city, having a Public Works Director will be an advantage and Polk City will save money in the long run.

City Manager Jackson stated if the budget/positon was approved it would be several months before getting someone actually hired, possibly in January. Therefore, it would not be for the full amount; so the budget would be reduced.

The ADG software, if approved, was included in the budget, reduced the budget for Aquarina, can certainly make more adjustments as deemed necessary.

City Manager Jackson stated the values would be going up with the growth this year in Polk City.

Keith Burge (Aquarina) The Public Works Director would need to be well versed in order to accomplish the goals. There also has to be a transition period.

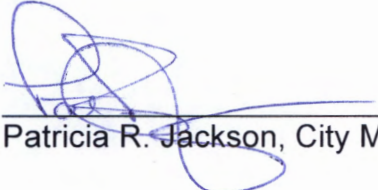
Lengthy discussion ensued.

The City Commission provided consensus for City Manager Jackson to work the budget based on 7.6663 mills.

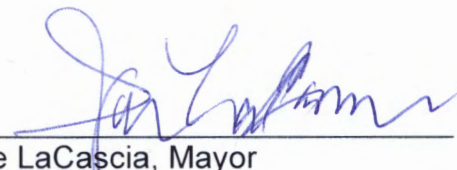
Other business that may be presented - None

ANNOUNCEMENTS – None

ADJOURNMENT – 7:55 p.m.



Patricia R. Jackson, City Manager



Joe LaCascia, Mayor