

BUDGET WORKSHOP MINUTES

August 20, 2019

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

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

Absent: City Attorney Thomas Cloud

ORDER OF BUSINESS

Discussion of Fiscal Year 2019-2020 Budget

City Manager Jackson discussed the highlights of the Proposed FY 2019-2020 Budget of which a copy is available in the City Manager's Office (see attached)

Please be advised we are still making some changes to the proposed budget; however, the bottom line will not change. We are putting revenue in the unrestricted reserves while we are putting together a pay plan for the city employees with paygrades, etc., as well as looking at a 2.5% cost of living for all employees. Any merit increases will have to be justified by an employee evaluation.

The FY 2019/20 Budget is based on a **Millage Rate of 6.6487**, which is the Roll-back Rate (current Millage Rate is 7.2500).

Please note the following:

- 1) The total budget for FY 2019/2020 is \$6,141,647, which is an increase of 5.59% (\$324,946)
 - a. Capital Projects
 - b. New Employee
 - c. Benefits
- 2) Ad Valorem is based on the Roll-Back Millage Rate of 6.6487 mills.
- 3) The budget includes a position of "mechanic" to be split between G.F. and E.F.
- 4) Building Permits, Inspections, etc. decreased in Revenue.
- 5) Capital Improvement Projects total \$932,389 (includes remainder of S.R. 33 Sprayfield Relocation)

- 6) Transfer to G.F. Unrestricted Reserves and E.F. Unrestricted Reserves.
- 7) Impact Fees decreased in G.F. and E.F.
- 8) Debt Service is \$885,447 (\$119,787) in the General Fund and (\$765,660) in the Enterprise Fund), which includes the relocation of the S.R. 33 sprayfield.

General Fund Revenues

- Ad Valorem is based the Roll-Back Rate of 6.6487, which will bring in \$1,028,168 (\$293,092) more than what is budgeted for FY 2019).
- There will be a small increase in Utility Tax.
- There will be a small increase in estimated Communication Services Tax based on State estimate – approximately \$9,209.00.
- Building Permits shows a decrease.
- Impact Fees will show a decrease.
- Grants from Other Local Units – DEO Grant (\$25,000); JAG Grant (\$5,113)
- Charges for Services had a slight increase due to growth.
- Intergovernmental Transfers -- Enterprise Fund (\$25,000 budgeted this year).
- There is no cash-carry forward budgeted.

Total General Fund Revenue increased \$232,402 over FY 2019/2020.

General Fund Expenditures

- **Legislative** had a slight increase - \$4,398
- **Executive** had an increase - \$5,221
- **City Clerk** slight increase - \$2,706
- **Legal Counsel** slight increase - \$2,500
- **Comprehensive Planning** increase to include DEO Grant and slight increase in professional services - \$3,000.
- **Finance and Accounting** had an increase - \$8,957
- **Debt Service** slight decrease
- **Law Enforcement** slight increase - \$2,152 for annual increase in contract
- **Building & Zoning** decrease - \$39,326
- **Code Enforcement** increase - \$6,000 software
- **Refuse/Sanitation** increase for growth - \$24,192
- **Stormwater** slight increase
- **General Gov't** increase - \$17,300
- **Streets and Roads** decrease - \$8,209
- **Library** increase - \$5,298
- **Parks & Recreation** increase - \$11,000
- **Special Events** increase - \$3,500
- **Non-Departmental** increase - \$170,370 (decrease in impact fees and increase in Unrestricted Reserves)

Total General Fund Expenditures are up \$232,402

Enterprise Fund Revenues

- **Impact Fees** increase - \$80,106 (Water-\$22,711; Sewer-\$57,395)
- **Special Assessments** increase - \$8,896
- **Grants and Aids from Federal or State** – None for FY2019/2020
- **Charges for Services** increase water and sewer revenue - \$196,119
- **Other Judgments, fines & forfeitures** increase - \$13,100
- **Interest Income** - None for FY2019/2020
- **Cash carry-forward** - None for FY2019/2020

The Enterprise Fund Revenues increased \$92,544

Enterprise Fund Expenditures

Water Operations

- Personnel Expenses has an increase of \$14,909 (split mechanic with sewer dept)
- Operating Supplies decreased - \$15,000 (separated out meters/registers last year)
- Increase in Meter Supplies for new installs - \$20,400
- Money budgeted for Repairs and Maintenance to Water Treatment Plants
- Capital Outlay \$179,681 (increase of \$19,681)

Overall increase in Water Operations: \$37,732

Sewer Operations

- Personnel Expenses has an increase of \$14,175 (split mechanic with water)
- Sewer Operating Expenses decreased - \$42,850
- Capital Outlay increased due to the Relocation of the S.R. 33 Spray field - \$416,595 (Spray field \$410,595)
- Debt Service – slight increase

Overall increase in Sewer Operations: \$390,080

Non-Departmental

- **Non-Departmental Other**
 - 1) Transfer to unrestricted reserves \$105,100

Overall decrease in Non-Departmental: \$335,268

Enterprise Fund had a total increase of \$92,544

The total General Fund and Enterprise Fund is \$6,141,648, which is \$324,947 more than Fiscal Year 2019 (5.59%).

Commissioner Blethen is not in favor of a mechanic.

Vice Mayor Kimsey stated the City needs a well-rounded mechanic.

Commissioner Harper asked if the cost to outsource exceeded the budget last year.

Public Works Director Keith Prestage stated that 90% of the work done for Public Works is done in-house.

Commissioner Harper is in favor of a Mechanic.

Vice Mayor Kimsey questioned the kind of software that will be purchased for Code Enforcement and is not in favor of having a Code Enforcement Officer.

The Consensus of the Commission was the keep the Code Enforcement Officer.

Vice Mayor Kimsey wants more Law Enforcement presence in Polk City.

Commissioner Blethen would like to see the payroll information in the budget and the total debt amount.

Commissioner Carroll left the Workshop at 7:45 pm.

Mayor LaCascia discussed the City staff's 2.5% COLA and programmable thermostats in the Polk City Facilities.

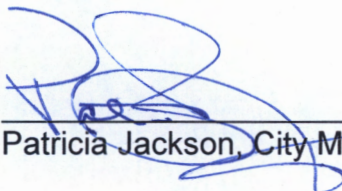
Commissioner Blethen discussed the employee benefits being paid by the employees.

Mayor LaCascia stated that if the City is giving the employees a 5% increase, the millage rate needs to decrease. Would like to see calculations for a 6.1 millage rate and a 6.0 millage rate.

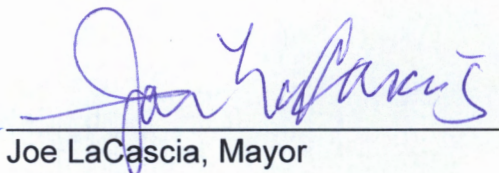
City Manager Jackson provided a thorough explanation to each of the Commissioners questions or concerns.

The next Workshop will be scheduled after Labor Day. An email will be sent with the confirmed date.

ADJOURNMENT -- 9:10 pm



Patricia Jackson, City Manager



Joe LaCascia, Mayor