

## BUDGET WORKSHOP MINUTES

August 13, 2020

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

**Present:** Mayor Joe LaCascia, Vice Mayor Don Kimsey, Commissioner Wayne Harper and City Manager Patricia Jackson

**Absent:** Commissioner Micheal T. Blethen, Commissioner Randy Carroll, City Attorney Thomas Cloud

### ORDER OF BUSINESS

#### Discussion of Fiscal Year 2020-2021 Budget

City Manager Jackson discussed the highlights of the Proposed FY 2020-2021 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 2020/21 Budget is based on a **Millage Rate of 6.0000**. The Roll-back Rate is 5.6327.

The millage rate has been reduced for approximately 6 years. City Manager Jackson is recommending that we stay at the rate of 6.0000 for one additional year.

Please note the following:

- 1) The total budget for FY 2020-2021 is \$6,299,757, which is an increase of 1.6% (\$98,424)
  - a. Capital Projects
  - b. New Employee (Water Plant Operator position)
  - c. Benefits, which have stayed steady 1.3 % increase in health insurance
  - d. CDBG Grant (estimated \$650,000) Application due in October
  - e. Decrease in some operational budgets
2. Charges for services in the Enterprise Fund (Water Charges/Sewer Charges) increased \$391,416 (due to city growth)

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The FY 2020/21 Budget is based on a **Millage Rate of 6.0000** which is the Roll-back Rate (current Millage Rate is 5.6327).

The millage rate has been reduced for approximately 6 years. City Manager Jackson is recommending that we stay at the rate of 6.0000 for one additional year.

Please note the following:

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2. Charges for services in the Enterprise Fund (Water Charges/Sewer Charges) increased \$391,416 (due to city growth)

3. Building Permits, Inspections, etc. decreased in Revenue only twenty permits left in Fountain Park and five in Mt. Olive Shores North.
4. Capital Improvement Projects total \$1,083,682 (includes \$650,000 proposed CDBG Projects)
  - \$5,000 for fence project in the Streets and Roads Department
  - \$650,000 in CDBG project just discussed
  - \$25,000 for an F-250 truck
  - \$3,500 for a box trailer
  - \$2,600 for a 60-inch slope cutter for John Deere tractor
  - \$10,000 for windows replacement at the Library
  - \$2,000 for landscape and fencing
  - \$18,000 for library books, media and subscriptions
  - \$10,000 for improvements and upgrades to freedom park, and fishing pier
  - \$60,000 for Repairs meters and registers - move into regular expenditures
  - \$80,000 for a Generator at Mt. Olive water plant
  - \$15,000 Replace valves at Aeration basin
  - \$92,682 for purchase of a Vac and Jetter truck/trailer – we have been using ACT (Bartow) to do the work. We have spent approximately \$15,000 in the last year to do projects with the sewer line/lateral/storm drain clogs. We have received assistance from other cities with use of their Jetter. This would be a good tool for the City to have.
  - \$60,000 for Perc Ponds for some kind of a boat with motor and trailer

City Manager Jackson will provide Commission with a copy of the Capital Improvement Plan list.

5. Transfer to General Fund Unrestricted Reserves and Enterprise Fund Unrestricted Reserves \$145,000 from Enterprise to General

The transfer from the Enterprise Fund went from \$25,000 to \$145,000 budgeted. If we go by the percentages, the actual amount needs to be \$155,000. City Manager Jackson recommended an additional \$10,000 to be transferred from the Enterprise Fund to the General Fund; for a total of \$155,000.

The City Commission provided consensus for this this increase.

6. Impact Fees decreased in General Fund and Enterprise Fund
7. Debt Service is \$917,242 (\$119,811) in the General Fund and (\$797,430) in the Enterprise Fund, which includes the relocation of the S.R. 33 Sprayfield.

## General Fund Revenues

- Ad Valorem is based on the Millage Rate of 6.0000, which will bring in \$1,040,510 (\$112,657) more than what is budgeted for FY 2020).
- There will be a small increase in Utility Tax due to growth
- There will be a small increase in estimated Communication Services Tax based on State estimate
- Building Permits shows a decrease
- Impact Fees will show a decrease
- Grants from Other Local Units – DEO CDBG Estimated \$650,000
- Charges for Services had an increase due to growth
- Intergovernmental Transfers – Enterprise Fund (\$145,000 budgeted this year)
- There is no cash-carry forward budgeted

**Total General Fund Revenue increased \$405,080 from FY 2019-2020 (due to CDBG)**

## General Fund Expenditures

- **Legislative** had a decrease
- **Executive** had an increase – combined Executive and City Clerk Budgets
- **City Clerk** – combined with Executive
- **Legal Counsel** - no increase
- **Comprehensive Planning** – no increase
- **Finance and Accounting** – slight increase
- **Law Enforcement** – Slight increase
- **Building & Zoning** – slight increase
- **Code Enforcement** – slight decrease
- **Refuse/Sanitation** – increase for growth
- **Stormwater** – increase for repairs and maintenance
- **General Gov't** – decrease
- **Streets and Roads** – increase (due to CDBG Estimated \$650,000)
- **Library** – increase
- **Parks & Recreation** – increase
- **Special Events** – increase
- **Non-Departmental** - Decrease

**Total General Fund Expenditures are up \$405,080**

## Enterprise Fund Revenues

- **Impact Fees** – Decrease. A rate study will be FRWA. Not sure when it will be complete, but the City Commission will receive a copy when ready.
- **Special Assessments** – Decrease
- No grants and Aids from Federal or State
- **Charges for Services** – Increase of water and sewer revenue of \$196,119
- **Other Judgments, fines & forfeitures** – increase of \$13,100



- No interest income
- **Cash carry-forward** – none at this time; however, we have some capital projects to discuss with the Commission that money has been set aside in reserves to do.

**The Enterprise Fund Revenues decreased \$306,656**

### Enterprise Fund Expenditures

#### Water Operations

- Personnel Expenses Increased – Lori Pearson is now the Utilities Director, and there is a request for additional operator
- Water Operating Expenditures are less; however, we need to address meter/register repairs/replacements
- Operating Supplies -- decreased \$15,000 (separated out meters/registers last year)
- Capital Outlay has decreased; however, I would like to discuss at workshop

**Overall decrease in Water Operations is \$134,228**

#### Sewer Operations

- Personnel Expenses has decrease
- Sewer Operating Expenditures are less
- Capital Outlay has decreased; however, I would like to discuss at workshop
- Debt Service – slight increase

**Overall decrease in Sewer Operations: \$371,592**

#### Non-Departmental

- Slight increase in Non-Departmental Operating Expenses
- Decrease in water and sewer impact fees going into restricted reserves
- Transfer to unrestricted reserves is \$205,523, which could decrease after discussion of discussion of water and sewer budgets
- Transfer to the General Fund increased \$120,000

**Overall decrease in Non-Departmental: \$345,368**

**Enterprise Fund had a total increase of \$164,590**

Commissioner Harper inquired about the number of employees Polk City has?

City Manager Jackson responded 21.

Keith Prestage, Public Works Director discussed hiring a custodian in an effort to keep things clean at all times. Having a staff custodian would eliminate the cleaning company Polk City currently uses.

Commissioner Harper inquired about the number of employees Polk City has?

City Manager Jackson responded 21.

Mayor LaCascia briefly discussed the 2.5% COLA for all employees. However, please clarify how the merit increase is done.

City Manager Jackson responded the evaluations forms that are used are given to the Department Heads to evaluate each of their employees and review with them. This is similar to the City Manager evaluation. When the completed forms are returned to me, I scrutinize each of them before any percentage of an increase is finalized. Each Department Head present was in agreement with the evaluation form.

Vice-Mayor Kimsey asked if employee punctuality is a must.

City Manager Jackson stated yes, we do have a program in place. We also have an infractions list in place for employees should they not follow guidelines. The day starts at 8am and ends at 5pm. We have a couple of employees that have a varied schedule, but everyone acquires their eight (8) hours per day.

Mayor LaCascia is looking for something for the residents.

City Manager Jackson explained we have some cushions in Reserves. If there is not a lot of Reserves, we have to amend the budget.

Mayor LaCascia discussed the roll back rate of 5.6327 as well as millage rate of 5.5 and 5.0.

City Manager Jackson responded the roll-back rate would reduce the budget \$64,296. The 5.5 millage rate would reduce the budget \$87,309. The 5.0 millage rate was briefly discussed, but not recommended.

After further discussion, it was the consensus of the Commission to leave the millage rate at 6.0000 for one more year.

If the millage rate is dropped to 5.0, it would be less than the roll back rate would be, and is less than we currently receive, which is not recommended.

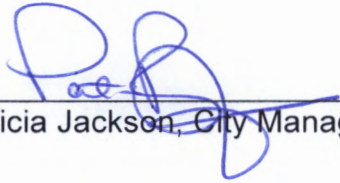
City Manager Jackson reiterated not going to the 5.0 Millage Rate.

Mayor LaCascia discussed expenditures in several different departments, which were answered to his satisfaction. On the revenue side there were questions regarding impact fees and building permits.

Mayor LaCascia's questions were answered to his satisfaction by City Manager Jackson.

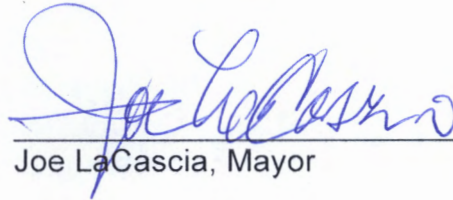
The consensus of the Commission is there is no need for the scheduled August 27, 2020 Budget Workshop #2.

**ADJOURNMENT** – 8:30 pm



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Patricia Jackson, City Manager



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Joe LaCascia, Mayor