

A budget workshop meeting of the City Commission was held on July 14, 2015 at 6:00 p.m. in the Commission Chamber at the Municipal Administration Building. The meeting was called to order by Mayor Eugene Fultz.

COMMISSIONERS PRESENT: Jonathan Thornhill, Pete Perez, Christopher Lutton, Eugene Fultz, Mayor, Terry Howell

COMMISSIONERS ABSENT:

CITY REPRESENTATIVES PRESENT: Kenneth Fields, City Manager; Clara VanBlargan, City Clerk; Albert C. Galloway, Jr., City Attorney

Agenda Item 2. FY'2015-2016 Draft Budget Discussion

Kenneth Fields, City Manager, reviewed the draft budget for 2015-2016. This is a balanced budget with a 1 full mill reduction to 7.3638. The budget hearings are set for Thursday September 3, and Tuesday September 15.

Commissioner Lutton asked about the reserve unit at the Fire Department, how is it used and how reliable does it need to be? Fire Chief Jenkins explained that it needs to be pretty reliable. We have 2 engines and a ladder that are front line. One is currently at fleet and will be out for 2 weeks. The ISO ratings are based on pump capacity so this new truck has a pump capacity 1500 gallons per minute is replacing a truck of a pump capacity at 1250 gallons a minute that is barely passing pump tests these past several years. The new truck will save us \$8800 in maintenance the first year. This is a better truck and holds more equipment. Mayor Fultz suggested this would help us get a better ISO rating. Chief Jenkins confirmed this.

Commissioner Perez asked about the Bomber Baseball Field (North West Complex) are we responsible for it? Mr. Fields explained that the city owns the fields, we pay the Bombers to maintain the fields, but Capital projects remain the city's responsibility. There are some capital projects we would like to do out there such as the dugouts, but we didn't have enough funds for next year.

Deputy Mayor Thornhill asked about the status of an officer at the mall. Police Chief Velasquez explained that the possibility was explored but it didn't go through. It would have been too costly as they wanted to use the Police as their security. Chief Velasquez explained the benefits of accreditation, it makes sure the department is evaluated and measuring up to higher standards. Commissioner Perez asked about the new position to help with accreditation, what qualifications might this person need? Chief Velasquez said that they have to work on the job description but he hopes to find someone with prior law enforcement experience and accreditation experience. This could be a part-time or contracted position. Commissioner Lutton asked about the possible new police officers that would be funded through the COPS grant if received. Are those the ones listed on the bottom? Chief Velasquez confirmed they were. Commissioner Lutton asked if they were listed at 25%. Dorothy Ecklund, Finance Director, explained that they are listed at full amount and the revenue from the grant is recognized separately. Commissioner Lutton asked how many years the grant is for. Chief Velasquez explained that the grant is for 3 years and we must keep them on for another year afterwards. Mr. Fields explained that they hope that revenues will have increased by then to cover the costs of the officers and one will be dedicated to traffic enforcement which will generate some revenue.

Commissioner Perez asked what miscellaneous revenues are which are listed as \$59,975. Ms. Ecklund explained that there are rules about how to list revenues, this is for any donations, impact fees, reimbursements and anything that is not captured in another line. Commissioner Perez asked about the Utilities line with \$367,000. Ms. Ecklund said this is impact fees and tower rentals for cell phone towers. Commissioner Lutton asked about impact fees and where they go. Ms. Ecklund explained that there are rules for spending impact fees and how they are classified.

Commissioner Lutton noted that we are adding 7 positions to the budget next year. Mr. Fields confirmed a net increase of 6.5 positions over all City Departments. Commissioner Lutton expressed concern as we have been trying to hold down growth over the past few years. Deputy Mayor Thornhill noted that some positions have been lost the past few years. Mr. Fields confirmed this but explained that some positions are being funded elsewhere such as the BookMobile person and the two police officers, some are priorities identified by the Commission and the additional IT position was a staff priority. Commissioner Howell asked who was over IT currently. Mr. Fields explained that Mr. Slaton still supervises the IT department but no longer does day to day operations. Commissioner Howell suggested the funds for this extra person could go to the equipment for live streaming the commission meetings. Mayor Fultz clarified that Slaton's responsibilities have changed over the past few years as others have left. Mr. Fields said that those technology upgrades have been pushed back as we did not have enough funds for that along with other capital projects. He recommends this staffing change to keep the city functioning and providing services in an effective manner.

Commissioner Perez asked what the Debt Service Funds. Kenneth Fields, City Manager, explained that is a fund set aside to pay off debts. It is required by law to be shown separately in the financial statements and is used to pay debts on bonds and other obligations.

Deputy Mayor Thornhill recommended putting the technology upgrades high on the priority list should funds become available.

Commissioner Perez asked about Contracted Services, if they are bid every year or every few years. Mr. Fields said that most are 3 years with a few exceptions such as Republic Services which is 7 years. Commissioner Perez asked if they are bid out every time. Mr. Fields confirmed that they are and there is a local preference in the bid process. Commissioner Perez asked about preference for minority owned businesses. Mr. Fields said there is not. Commissioner Perez said that he would like us to encourage minority owned businesses to get in the game. Tom Moran, Utilities Director, explained that for larger projects that they do look for women owned and minority owned businesses to bid. Mr. Fields said that they do advertise as widely as possible to get as many bidders as possible.

Mayor Fultz said that he has found no discrepancies in the budget and is ok with it.

Mr. Fields explained that at the next budget meeting the Interim Millage Rate will be set, which will be recommended at 1 mill less than this year, and the next budget workshop is August 11th to review any changes that have occurred in that time. The budget hearings will be in September.

Commissioner Perez asked if the new director will develop a plan and schedule for what will happen. Mr. Fields confirmed that she will develop a plan for the next year. Mr. Fields expressed his support for the museum, that it is important for downtown.

Commissioner Howell asked about the SRO funding levels, why the county and charter Schools are different. Chief Velasquez explained that the amounts reflect the amount of officers at each. We have 3 officers, 1 is at a charter school, the Lake Wales High School and the other 2 are at Polk County Schools, McLaughlin Middle School and Roosevelt Academy.

Commissioner Lutton asked if there are any estimates of revenues from the Depot Museum. Mr. Fields said if there were any revenues that would be difficult to estimate. A budget amendment could add it in the future if needed. Capital fundraising may take place in the future.

Commissioner Howell asked about the increase in Economic Development. Mr. Fields explained that this was the QTI (Qualified Tax Incentive) approved for an economic development project a few months ago. The increase is the City's share.

Deputy Mayor Thornhill said he was glad to see an increase in fireworks for next year.

Deputy Mayor Thornhill asked if the insurance company reviewed the additions beforehand. Sandra Davis, Human Resources Director, said there was no additional liability for the additional equipment but it will be inspected next month. Deputy Mayor Thornhill asked if there were any outstanding legal issues. Ms. Davis said there was always issue but no major lawsuits at this time. Deputy Mayor Thornhill asked if the insurance company comes out during budget time to give us new numbers for the coming year. Ms. Davis explained that they look at what needs to be added on, worker's comp and other issues. There are no major additions this year. Mr. Fields said that we switched insurance companies last year which was a significant dollar savings and they work with us on prevention issues. They are very responsive to us and good to work with.

Commissioner Thornhill asked about keeping a person out front, will it continue? Mr. Fields would like to modify the front to combine the 2 stations to make them more customer friendly. Dorothy Ecklund, Finance Director, explained that they are training others to work the front desk but are keeping the most experienced persons out front. Commissioner Lutton asked if the questions and customers are tracked to see where the issues are and when the highest traffic comes through.

Commissioner Howell asked about the line item for new street furniture in the downtown area. Kenneth Fields, City Manager, explained that is for new newspaper racks.

Commissioner Lutton asked about IT increases in the Commission budget. Mr. Fields explained that computers get old and obsolete and need replacing.

Mr. Fields said that if the commission has questions on individual line items to let him know and he will get explanations back to them on each of them.

Commissioner Lutton asked about the history of personnel over the past ten years. Ms. Ecklund explained that a staffing history and changes in staff will be appendices to the budget that will be available soon. There will also be a history of the millage rate. Ms. Ecklund asked for confirmation that they want the Interim Millage Rate at 7.3638. The commission members consented. She also explained that the new cemetery rates are coming soon for approval. The cemetery will be set up as an Enterprise Fund so that someday it could be self-sufficient. The cost for operating the new cemetery will be 25% of costs for operating cemeteries. Commissioner Lutton wondered how 25% was arrived. Mr. Fields said that this is a best estimate as we have nothing to go on.

Mr. Fields reviewed the history of the City's number of employees. In 2006-07 the city had 184 positions, and dropped to 170 and next year 177 is proposed but the number is still below its peak. Commissioner Lutton said he was concerned about the appearance of growing big government. Mayor Fultz noted that administrative positions are lower than before. Commissioner Perez asked how many we will lose in the upcoming years. Ms. Ecklund said they budget actual salaries for actual positions and take in retirements and new employees into it. Commissioner Perez said he just wondered how they budgeted for that. Mr. Fields said we know who is actually leaving so they can be budgeted for appropriately.

Commissioner Lutton expressed his confidence that staff is reorganized as needed to save money and personnel. Commissioner Perez said that as he has lots of questions as he is new needs to understand how some of these things work. Mayor Fultz encouraged Commissioner Perez to ask any questions needed. Mr. Fields said that he and the staff are available for any questions he has.

Commissioner Lutton asked about the cemetery numbers, Ms. Ecklund explained where the money is being allocated to the new Enterprise Fund. Mr. Fields said that is to make it a completely self-sufficient operation over a period of time. Commissioner Lutton asked about the revenues. Ms. Ecklund reviewed the numbers for revenues and debt service and the investments which will pay the costs for the cemetery. Commissioner Perez asked about Cemetery personnel. Mr. Fields explained that Teresa Allen and Zaillet Suri oversee the cemetery. Ms. Ecklund explained that Teresa Allen is paid out of Support Services but a portion of her time that goes to various departments is allocated as appropriate. It would muddy the books to list a portion of each employee for each department.

Ms. Ecklund said that the CIP draft document will be available on the website for review. Commissioner Lutton asked about a COLA for the employees. Mr. Field said that maybe they will have some wiggle room between now and the fall.

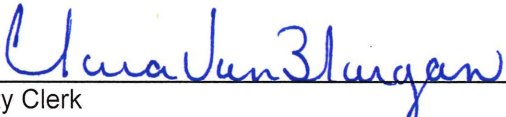
Next budget workshop is August 11.

Commissioner Lutton said that he will be out next week and will miss the Commission meeting.

The meeting was adjourned at 7:34 p.m.


Mayor/Deputy Mayor

ATTEST:


City Clerk