

City Commission Budget Workshop

Meeting Minutes

May 18, 2022

(APPROVED)

5/18/2022 - Minutes

1. ROLL CALL

Commission Members Present: Mayor Jack Hilligoss, Robin Gibson, Daniel Williams, Terrye Howell, Danny Krueger

Staff Present: James Slaton, City Manager; Jennifer Nanek, City Clerk, Dorothy Abbott, Finance Director

Mayor Hilligoss called the meeting to order at approximately 2:00p.m.

2. City Commission Budgetary Process – Fiscal Year 2022'23

[Begin Agenda Memo]

SYNOPSIS: The City of Lake Wales budgetary calendar for Fiscal Year 2022'23.

BACKGROUND In accordance with Florida State Statute 166.241, each municipality shall make provision for establishing a fiscal year budget for the period beginning October 1st of each year and ending September 30th of the following year.

As the City Commission begins this annual process, it is customary for the City Commission to first hold "priority setting workshops" so that the Commissioners may discuss, as a governing board, their priorities relating to community level of service, special projects, and future capital outlay.

• 05/18/2022 - City Commission Meeting - Budgetary Fiscal Year 2022'23 priority setting workshop. (2pm)
Other Important Budgetary Dates Include:

• 06/01/2022 – Property Appraiser – June 1st Estimate of Taxable Value

• 07/01/2022 – Property Appraiser – July 1st Certification Date for Preliminary Tax Roll (TRIM Day 1)

• 07/19/2022 – Budget draft books due to City Commissioners Will be placed in their internal mail boxes by 5pm.

• 07/19/2022 – City Commission Meeting Interim Millage Rate – Approved by City Commission (TRIM)

• 08/04/2022 – Must notify Property Appraiser Office (2pm) of:

1. Interim Millage Rate

2. Current year rolled-back rate

3. Date, time & place of 1st budget hearings • 08/10/2022 – City Commission Meeting (2pm)

Budget Workshop #1 • 08/31/2022 – City Commission Meeting Budget Workshop #2 (Tentative – if needed)

• 09/07/2022 – City Commission Meeting

1. 1st Reading of ordinance adopting millage rate

2. 1st Public Hearing, Millage Rate

3. 1st Reading of ordinance adopting FY 22'23 budget

4. 1st Public Hearing, FY 22'23 Budget • 09/15/2022 - Advertisement of FY 22'23 Budget Summary (TRIM Ad) Advertisement of 2nd Public Hearing (State Statutes require the 2nd Public Hearing must be held between 2 and 5 days after advertisement)

• 09/20/2022 – City Commission Meeting

1. 2nd Reading of ordinance adopting millage rate

2. 2nd Public Hearing, Millage Rate

3. 2nd Reading of ordinance adopting FY 22'23 budget

4. 2nd Public Hearing, FY 22'23 Budget

• 09/23/2022 - Deadline to forward ordinance adopting millage rate to Property Appraiser and Tax Collector

• 10/12/2022 - Within 3 days of receiving notice of final adjusted tax roll, Deadline to certify form DR-422 to Property Appraiser

• 10/14/2022 - Deadline to forward Certificate of Compliance (DR-487) to Department of Revenue. Within 30 days after final hearing

[End Agenda Memo]

Dorothy Abbott, Finance Director, reviewed this schedule and the budget process. They will provide drafts of the budget at the end of July for the August workshop. Additional workshops can be scheduled as needed.

Deputy Mayor Gibson asked about a budget amendment. Ms. Abbott said we will do one in November as required.

3. Discussion - Budget Priorities 2022-2023

Dorothy Abbott, Finance Director, introduced Will Reid, Ford and Associates, our Financial advisors to talk about bond program to finance downtown projects. A forecast was provided to the commission as requested. It showed possible changes in revenue and the cash flow within the CRA over the next few years.

Mr. Reid gave an update on where we stand since the last meeting. We requested proposals for underwriters and received responses back from 2 firms in Florida. They are Raymond James and RBC Capital Markets. We are evaluating the proposals. Rates have increased since last we spoke which is no surprise. He can't make predictions as to what will happen in the market. The municipal side will not run

away from us. We are moving forward on this bringing an underwriter onboard. This will be brought for review.

Dorothy Abbott asked if the bonds would be issued by September 30. Mr. Reid said yes. Ms. Abbott reviewed the forecast she distributed and how she developed it. The projects are moving along as projected. She does not see any significant variances that can't be accounted for. Adjustments can always be made. There is sufficient cash flow in the CRA. She wanted to be sure we talked about this.

Deputy Mayor Gibson appreciated the projections. Mr. Reid will have a recommendation for the next CRA meeting.

Deputy Mayor Gibson asked when we will know what the debt will cost us. Mr. Reid said next week.

Deputy Mayor Gibson said he will track progress along projections. This is a lot of money and a big deal for the town. The projections can be sharpened as we go along. Ms. Abbott said she can have the underwriters at the next CRA meeting and we can discuss the forecast.

Deputy Mayor Gibson asked James Slaton, City Manager, about the status of the bids on upcoming projects.

Mr. Slaton said the big one, Park Avenue, will go out to bid in the next 60 days. He reviewed the selection process. Deputy Mayor Gibson asked if a selection can be made by September 30. Mr. Slaton said yes. Deputy Mayor Gibson said it will be good to go into the new fiscal year with accurate information on both sides.

Ms. Abbott discussed expectations on the economy.

Deputy Mayor Gibson said his priority is the \$18.5 million and taking care of it. We got to have a good plan and proper execution. The plan is excellent. Execution and paying for it is where we are. We need to monitor this over next few years. The market response will be good. Lets move on this.

Commissioner Howell said how we are doing the budget now is better than years past. Many of her priorities are on the list. She asked about the increase of 35% of expenditures over last year. Ms. Abbott said the summary refers to this budget year. There are more projects and some departments have increased their level of service. The economy has been good these last 7 years and Lake Wales has grown. Commissioner Howell said she would like more cameras and equipment in the chambers for the commission meetings. Mr. Slaton said this is in progress for this year. Commissioner Howell would like more home makeovers and rebuilding in the City. Commissioner Howell would like an all purpose building and more athletic fields for football, soccer. Commissioner Howell said we need more wi-fi in Lake Wales including soccer complex. Commissioner Howell said we need a master plan for growth in the near future. Commissioner Howell said she would like liquor licenses in Lake Wales.

Commission Williams said recreation is a priority. Football needs a place to play. Commissioner William said enhancing our police department is important including pay increases.

Commissioner Krueger said he is concerned about adequate reserves in case we have a worse case scenario. We need to identify those projects we don't need immediately in case they need to be put on hold.

Mayor Hilligoss said roads being resurfaced are a priority. He is also concerned about financing the Connected Plan and being sure we have adequate cash flow. Mayor Hilligoss said he is interested in completion of the land use study. He is glad that is getting started. He supports funding our police and fire and being sure they have what they need. The Airport is a priority. He would like for it to become very attractive to business travelers. Improving our entrances, and making them attractive is a priority. He agrees with the need for a multi-purpose building that can serve as a storm shelter sometime down the road. He would like us to work more cooperatively with the Chamber to support our businesses.

Commissioner Howell said she got an email on possible funding for infrastructure that she will forward to staff.

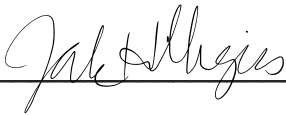
Deputy Mayor Gibson said we need compensation at different levels for residents and non-residents for recreation facilities. We need to be creative with cost sharing. Mr. Slaton said this is part of the scope of work for our Recreation Master Plan.

Ms. Abbott said she and Mr. Reid will offer their own economic projections over the next few years. Mr. Reid said we will see more inflation but the supply side is building back up. The Fed response is a lagging indicator. Rates may increase but municipal markets won't increase. How fast these increases will come is unknown. Its unknown what impact events in Ukraine will have long term. Food markets will be impacted over the next year. Deputy Mayor Gibson asked about construction supplies, will increases level off? Mr. Reid said prices are unlikely not go down. Short term costs may stay the same. We need to be sure of costs as we go forward with this loan. Deputy Mayor Gibson said this may impact our bids process. He doesn't want to be taken advantage of in the bid process. Mr. Reid said at every step we will be conservative. We don't want surprises. Deputy Mayor Gibson said he expects increases but hope we don't have to pay for them.

Ms. Abbott said the economy can't stay like it is. It is not sustainable. The economy will probably be fine through 2022. There will be a small slow down in 2023. Prices won't go down but will ease off a bit. Commissioner Krueger said there is not much the Fed can do right now to help. Ms. Abbott said when things change its important not to over react. We are fully funded in the reserves at 28%. Utilities reserves are where they should be. We have time to adjust the budget if need be. She will let the commission know if we start to have a problem. Staff is watching and will react before there's an emergency.

4. Adjourn

The meeting was adjourned at 3:01 p.m.



Mayor

ATTEST:

City Clerk