

CITY OF APOPKA

Minutes of a City Council Budget Workshop held on July 19, 2016, at 1:00 p.m., in the City of Apopka Council Chambers.

PRESENT: Mayor Joe Kilsheimer
Commissioner Billie Dean
Commissioner Diane Velazquez
Commissioner Kyle Becker
Commissioner Doug Bankson
Glenn Irby, City Administrator
Pam Barclay, Finance Director

PRESS PRESENT: John Peery - The Apopka Chief
Bethany Rodgers, Orlando Sentinel
Dale Fenwick, The Apopka Voice

CALL TO ORDER/PLEDGE OF ALLEGIANCE - Mayor Kilsheimer called the Budget Workshop to order at 1:00 p.m. and led in the Pledge of Allegiance.

Mayor Kilsheimer advised this was the first budget workshop for Fiscal Year 2017. He advised there will be budget workshops held for the next couple of weeks to review the proposed budget. There will be two public hearings held in September. The presented proposed budget is a balanced budget that does not raise the millage rate for next year. He announced that he has told the department heads not to hold back when presenting their department needs for the proposed budget. He pointed out that 54 additional employees have been requested and only 18 have been left in, 12 of which are firefighters for the new fire station. He stated the staff continues to do more with less, despite the fact that this year's budget tops \$100 million. He declared that is reflection of the fact that we are a growing community. He said they will try to cover the general departments in today's workshop. However, starting off will be a presentation on the UCF Incubation Program.

Presentation – UCF Business Incubation Program

Gordon Hogan, Director of the UCF Business Incubation Program, said the incubation program started 17 years ago and has been very interesting, growing faster than they thought it would. He stated about half of the companies are technology and the other half various types of businesses. This was initially created to grow technology companies, but over time they received many requests in different areas. He said Apopka is the most recent and there currently are 125 companies at seven different locations. He stated it normally takes five years for a company to become stable. He advised a study done by the National Incubation Association a few years ago found that a little over 80% of companies stay in the location where they were incubated.

Rick Parks, Site Manager, Apopka, said the Apopka Incubator was launched in April 2012 as a partnership between UCF and the City of Apopka. He reported the Apopka incubator today has seven client companies, one soft landing company, and two pre-incubation companies. He

explained a soft landing company is designed for companies that want to move into the Central Florida market from outside. They provide space, resources, and networking to help facilitate their moving into the area. Two new client companies will be added by the end of the third quarter of 2016. Two of the companies that have graduated are still in business. In addition, seven companies have exited the program, and four are still in business.

Pam Barclay, Finance Director, stated this is a workbook and is a work in progress. If adding anything, be mindful that revenues will have to be found to fund those items. She will be keeping a tally sheet of everything to be added. She pointed out an error in the budget in brief, the skate part was put in at \$750,000 and the splash pad at \$200,000. In essence, the skate park is slated for \$300,000 and the splash pad \$750,000. She provided a corrected page to be replaced with this correction. She explained the process, stating the work sheets were sent out to all of the departments in the middle of March, requesting these be returned the middle of April. Upon receipt, she pulled them into a workbook and Mayor Kilsheimer, Glenn Irby, and herself met with each department head and their higher level staff to discuss their requests line by line. Following cuts, and revenues coming in from the state, she forecasts what those revenues are expected to be and they work to balance the budget. She advised more than \$14 million in capital was requested and they had to cut that back to \$5 million. The requested positions were cut back to 18 new positions. She reiterated, if adding any positions back, to be mindful, they will need to cut some other area, or find revenues to add. She pointed out if increasing the millage by .5 this will provide roughly an additional \$1.2 million. There is a millage work page that shows what the increases will provide. She advised in going through the revenues, they were relatively flat, stating we did have an increase in taxes which was approximately 9.5%. This reflects the increase in the tax base. She affirmed with using \$2.6 million of reserves, our ratio of fund balance to expenditures is maintained at 31%. The Governmental Financial Officers Association recommends it be kept at 18% to 20%. She advised that staff received their budget workbooks at the same time Council received them and were not aware of all the cuts until receiving the workbooks. She pointed out that page nine of the workbook breaks down the dollar and how it is distributed from the General Fund. The actual increase in tax base generated more than \$700,000 in tax revenue. She advised the use of reserves is not covering any operational costs, it is covering capital costs. She affirmed the time has come that obsolete vehicles are in need of replacement and obsolete technology requires replacement.

Commissioner Bankson expressed concern regarding the reserves and stated we need a plan to replenish the reserves. He also referenced the \$600,000 per year being added to the debt load and concerns with financing.

Ms. Barclay said the thought behind financing a \$50,000 vehicle is to finance over five years which is the useful life. This cost is being amortized over the five years, so it is a sustainable cost. Other vehicles such as street sweepers and sanitation trucks are much more expensive and have a longer life. She affirmed financing is at a very low rate.

Discussion was held regarding the building of Fire Stations five and six and keeping the ISO rating, as well as the associated costs of personnel, equipment, and furnishings. Further discussion ensued regarding new growth supporting itself through impact fees.

MAYOR'S OFFICE

The Mayor's office budget was reviewed and discussed.

Mayor Kilsheimer pointed out the Mayor's office had the requested position of Chief of Staff cut from the budget. He stated it is difficult to juggle all of the routine duties as well as work in all of the extra requests that come through. He would like to have a person working in the Mayor's office on a department head level.

It was determined to possibly revisit page 28. Item 12 on page 33 in the amount of \$150 is to be cut. Discussion was held regarding page 34, Items 2 and 3; Orlando Economic Development Commission in the amount of \$10,000 and Apopka Area Chamber of Commerce Executive Trustee Program in the amount of \$7,500. Discussion ensued regarding whether it should be a city representative rather than a person from the chamber representing the city on the Orlando EDC Board while Community Development Director Mark Reggentin represents the City on the Chamber's Board of Directors, Laura Heiselman, Director of the Apopka Area Chamber of Commerce, does sit on the Orlando Economic Development Commission.

LEGAL SERVICES

The Legal Services budget was reviewed and discussed. Discussion was held regarding the specialized legal representation.

ADMINISTRATIVE SERVICES

Administrative Services budget was reviewed and discussed. Commissioner Bankson inquired if the large decrease in the 3400 account was lobbyist. Mr. Irby responded in the affirmative. Mayor Kilsheimer pointed out Administrative Services also had a requested position for a Deputy Chief Administrative Officer cut from the budget. Discussion was held regarding the need for two new administrative pool cars.

Council recessed at 3:45 p.m. and reconvened at 3:49 p.m.

COMMUNITY OUTREACH

Mayor Kilsheimer advised this division includes the Public Information Officer and Grants Writer and Neighborhood Coordinator. It was originally Administrative Services and Community Outreach came from reorganization. He stated the Apopka Youth Works summer jobs program was pulled together by Dr. Jackson and it has been a great success. He pointed out the Community Events Coordinator position was moved under Recreation. It was determined to postpone the review of Community Outreach to a later date so to be reviewing events with recreation.

CITY CLERK

The City Clerk's proposed budget was reviewed and discussed. It was the consensus, due to the increase in lien searches and public records requests, the Part-time Records Clerk be placed back in the budget for 20 hours a week at \$15.00 per hour.

FINANCIAL SERVICES

Financial Services was reviewed and discussed. Ms. Barclay advised the requested position for Budget Analyst has been cut. This position would be responsible for preparing the annual budget as well as monitoring it and preparing the budget amendments. She advised there have been two positions moved into Finance, Purchasing Manager and Payroll. She stated with the implementation of the new financial software there will be more automation which will help. Discussion was held regarding the city absorbing convenience fees for credit card payments and passing this fee to the consumer.

INFORMATION TECHNOLOGY

Information Technology was reviewed and discussed. Mr. Hippler said the short term goal is to complete the process of the city moving forward from the services previously operating under. He stated the long term goal was to add more and new technology with regards to the way we do our operations. He stated Edmunds will allow more work to be done in the field as opposed to being required to come back to the office. He discussed areas where applications can be consolidated. He pointed out the software maintenance costs and other costs that were not previously under his budget, but have been centralized to Information Technology accounting. Discussion was held regarding storage and use of cloud storage. Discussion ensued regarding audio/visual equipment for Council Chambers. Discussion was held regarding the 4100 account, item 10, Wi-Fi Device Power Service and considering this be cut. It was determined to evaluate what access points would be most valuable to maintain as citywide Wi-Fi has been discontinued.

Mr. Hippler pointed an item that was cut from the 6400 line which is Item 3, Brocade Replacement Switches. He advised the Police Department's switch is 96 port switch that is at end of life and is 10 years old. He suggested, if there was any way, that it be placed back in the budget. When asked if this goes out what would happen, Mr. Hippler advised they would lose communication with the data center, therefore, there would be no computers or phones. He said, knowing this, and there is no warranty of support, it is a fall back in case something should happen. It was determined that Item 3 be added back in the budget. On page 148, Item 10, iWorQ is software to manage Public Services various divisions for work orders, maintenance, and inventory. This replaces the WebQA that will be discontinued. Mr. Irby advised this needed to be placed back in the budget.

ADJOURNMENT - There being no further discussion, the workshop adjourned at 5:40 p.m. p.m.

_____/s/_____
Joseph E. Kilsheimer, Mayor

ATTEST;

_____/s/_____
Linda F. Goff, City Clerk