

CITY OF APOPKA

Minutes of a special City Council meeting held on September 14, 2016, at 5:05 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

PRESS PRESENT: John Peery - The Apopka Chief
Bethany Rodgers, Orlando Sentinel
Reggie Connell, The Apopka Voice

INVOCATION: The invocation was given by Pat McGuffin.

PLEDGE OF ALLEGIANCE - Mayor Kilsheimer led in the Pledge of Allegiance to the Flag.

PUBLIC HEARINGS

A. ANNOUNCE AND ADOPT MILLAGE RATE OF 3.7876, WHICH IS 22% ABOVE THE ROLLED BACK RATE OF 3.0916.

Mayor Kilsheimer said this was a public hearing to hear and consider comments and questions considering the City's tentative millage rate and tentative annual budget for FY 2016/2017. He said Glenn Irby, City Administrator, recommends the City Council set September 28, 2016 for a final public hearing date and approve the tentative ad valorem taxation for the fiscal year commencing October 1, 2016 and ending September 30, 2017.

Mayor Kilsheimer announced the City of Apopka hereby proposes for FY 2016/2017 a millage rate of 3.7876 per \$1,000 of non-exempt assessed valuation. Said rate is 22.51% higher than the rolled-back rate of 3.0916 per \$1,000 of non-exempt assessed valuation as computed by Florida Statute 200.065. This will be considered following the budget presentation by Pam Barclay, Finance Director.

A budget presentation was given by Finance Director Pam Barclay, showing an overview of the proposed Fiscal year 2017 Budget. She said it has been time consuming and said in March the Finance Department delivered financial worksheets to the Department Directors to submit their budget requests and these were due on April 15, 2016. The workbooks were compiled and during May and June, and Mayor Kilsheimer, City Administrator Glenn Irby, and Finance Director Barclay met with each Department to discuss submittals. In July, the workbooks were provided to the City Council and five workshops were held during July and August to discuss the contents. She reported the total budget being presented for FY 2016/2017 is \$104,083,516, an increase of \$14.4 million,

(16.1%) over last year. The General Fund budget is \$49,293,103, an increase of \$6.16 million (14.3%). Taxable values as reported by the Property Appraiser increased 9.5%. The proposed millage rate is 3.7876 which is .5 mills above the current rate of 3.2876 and it is .6960 mills above the roll back rate of 3.0916. She stated the General Fund unrestricted reserves are sufficient to cover expenses for at least two months, stating the GFOA benchmark is two months of general fund reserves, equivalent to 16.7%. She stated this budget expands the current level of public safety. We are adding 33 positions, (32 fulltime and 1 part-time). It includes performance based pay raises only, and the General Fund Capital Outlay total is \$6.2 million, an increase of \$2.3 million over last year. She advised the total budget of \$104,083,516 combines all of the funds (general fund, eight special revenue funds, and three enterprise funds). She reviewed graphs of where the money comes from and how it is spent, pointing out the state revolving fund of \$16 million will pay for the wastewater treatment expansion. She reviewed the millage rate history and advised that with the increase, the City of Apopka will be the second lowest in Orange County.

Mayor Kilsheimer opened the meeting to a public hearing.

Tenita Reid said as a homeowner and taxpayer of the City of Apopka she opposed the proposed millage increase. She stated the garbage, water, sewer and reclaimed water rates have been increased and will continue to increase over the next five years. She said the fees for ball fields has been increased. The fee for cutting off the water and turning it back on has increased, as well as emergency call fees being increased. She said the City was making over \$1 million in selling dirt to DOT. She stated the City agreed to pay money back to a developer for a ramp that should be built by the expressway authority or the developer himself. She said the utility rate study stated the City was not collecting enough in impact fees. She said the City was giving tax dollars to the schools when this should be the job of the schools. She said it was wrong to spend tax dollars to subsidize the youth working at private businesses. She also spoke against money being spent for travel.

Ray Shackelford said we all value public safety that makes up 63% of the budget, but we must also value programs and services for children, families, seniors, and veterans on fixed incomes. He declared the millage rate does not need to be raised due to potential budget cost savings. He stated the salaries in the Mayor's office would increase 16%. He stated tax dollars did not need to be spent on alcohol. He said tax money did not need to be spent on deficit spending programs such as the Old Florida Outdoor Festival. He stated the city needs to be honest with the public, not raise the millage rate, or use reserves to balance the budget

Tony McArthur spoke against the proposed millage rate increase and said increasing the cost for someone to legally stay in their home or keep a business was a very serious matter. He said tax increases can threaten one's ability to stay in their home or to keep their business. He stated inflation was running at 2% and salaries were not going up for most people. He said under state law the maximum assessed value increase that a millage rate can be applied to for a homesteaded property is 3% so people will not be forced out of their homes. He said this millage rate increase circumvents that state law that has been important to citizens for decades. He stated the City has a serious spending problem and has for years.

No one else wishing to speak, Mayor Kilsheimer closed the public hearing.

Commissioner Dean said he felt the millage rate could be kept the same if we cut back on some of the items. He stated he did not want any of the projects taken out of the budget, but suggested the following items could be reduced by these amounts: Gospel Fest \$50,000, Old Florida Outdoor Festival \$250,425, Food and Wine \$30,000, Fourth of July \$40,000, Recreation \$250,000, requests Capital \$145,000. He declared making cuts could save \$1,459,556. He said if the millage is increased 3.7876 we will save \$1,263,336. He also stated the splash pad be reduced by \$250,000.

Ms. Barclay explained the splash pad was being paid for by impact fees and this would not affect the General Fund.

Ms. Barclay inquired what aspect or line items in the Recreation Department did he suggest be reduced by \$250,000.

Mr. Irby advised they were only coming up with approximately \$580,000 based on the suggested amounts to reduce. He said to reduce the millage by .5 mill, they need to come up with \$1,263,336 to cut. He explained the budget is based on specifics and they need to know specifically where to make the reductions.

Commissioner Bankson said he thought Gospel Fest and the Food and Wine Festival had already been cut to refocus on how to approach this in the future.

Commissioner Becker said they reduced some of those costs through the workshop sessions. He stated it was abundantly clear from the beginning they wanted to reduce the amount taken from reserves and not have to raise the millage rate unless it was absolutely necessary. He declared through the course of the five workshops, they did not get to the spot where they could cut enough without having to go to reserves and raise the millage. He said we budget for these items and try to spend less than what is budgeted.

Commissioner Bankson said his understanding was that all of the increase would go back into the reserves and it did not look like that was happening.

Mayor Kilsheimer said at the final budget workshop they said they were reducing the reliance on reserves, but it was also clear, in order to balance the budget as proposed, they would have to use some reserves. He pointed out that the reserves being proposed for 2017 are not historical highs, but right in the middle of what the reserves have been over the last ten years. He also pointed out that the last two years money has been put into reserves.

Commissioner Bankson said when looking at the budget and the future of what we will have to do with regards to safety issues. He stated initially it was \$2.6 million from reserves and it was his understanding if the millage rate was increased it would go back to reserves, however, we are now at \$1.7 million being taken from reserves. He said his concern was where the City was with the unrestricted reserves.

Motion was made by Commissioner Becker, and seconded by Commissioner Velazquez, to adopt a tentative millage rate of 3.7876, and set September 28, 2016 at 5:05 p.m. as the final

public hearing date. Motion carried by a three/two roll call vote, with Mayor Kilsheimer and Commissioners Velazquez, and Becker voting aye, and Commissioners Dean, and Bankson voting nay.

Mayor Kilsheimer announced The City of Apopka has approved the tentative rate of ad valorem taxation at a millage rate of 3.7876 mills for fiscal year 2016/2017. The said rate is 22.51% higher than the rolled-back rate of 3.0916 per \$1,000 of non-exempt assessed valuation as computed by Florida Statute 200.065.

B. ADOPT PROPOSED BUDGET WHICH INCLUDE THE BUDGET ADJUSTMENTS RESULTING FROM WORKSHOPS.

Mayor Kilsheimer said the City Administrator recommends that City Council set September 28, 2016 at 5:05 p.m. as the final public hearing date, and approve the first reading of the tentative revenues, expenditures and fund balances for the City’s fiscal year budget commencing on October 1, 2016, and ending September 30, 2017. He reviewed the FY 2016/2017 tentative revenues, expenditures, and fund balances for the City’s fiscal year budget commencing on October 1, 2016, and ending September 30, 2017 as follows:

GENERAL FUND	\$	49,293,103
STREET IMPROVEMENT FUND		3,518,246
TRANSPORTATION IMPACT FEE FUND		2,105,800
LAW ENFORCEMENT TRUST FUND		100,000
RECREATION IMPACT FEES		750,000
STORMWATER FUND		631,621
GRANTS FUND		52,958
SPECIAL ASSESSMENT FUND		67,150
COMMUNITY REDEVELOPMENT FUND		2,285,439
UTILITY OPERATING FUND		18,547,969
SANITATION FUND		5,207,300
AIRPORT FUND		386,930
UTILITY IMPACT FEE FUND		21,137,000
TOTAL BUDGET	\$	104,083,516

Mayor Kilsheimer opened the meeting to a public hearing.

Ray Shackelford said in respect to the budget, one way to save money is to freeze general government at the 2015/2016 level. He said if freezing at this level, it would save \$700,000. He stated there were other items in the budget that could be looked at for a savings that could reach up to the \$1.2 million that the millage rate increase will come to. He said just because the City of Apopka has one of the lowest millage rates in Central Florida does not mean you spend the tax dollars. He

stated there were people in the City of Apopka living in poverty, unemployed, and seniors and veterans on fixed incomes.

Tony McArthur said before any new personnel are added, they need to consider modernizing the retirement plans for nonemergency employees. He said the burden on the public for guaranteed pension plans is extraordinary. He suggested the festivals could be done without using public money. He suggested the statues being done for Mayor Land could have been done with donated money. He said pay raises should be off the table other than a merit based bonus. He suggested a service agreement with Orange County to help funding the new fire station.

Dennis Blank said when he looked at the budget, he was surprised at the amount of money being spent on entertainment. He stated in cities he is familiar with this is usually handled by the Chamber of Commerce, private groups, or church groups. He suggested there could be money saved by privatizing the garbage services and picking up garbage once a week.

Rod Love said no one wants to see their taxes raised. He stated he did not envy the position the Council sits in today with making the hard decisions, stating with growth comes the pain. He spoke of public confidence and said some of the items in the budget leads back to this such as Apopka begins and ends with "A". He said the state Legislative Budget Request Commission just met last week and there is going to be a \$1.2 billion shortfall at the state level in 2018 and a \$2 billion shortfall in 2019. He said the House Speaker has already announced there will be some cuts based on mission critical. He stated the City of Apopka needs to continue to look at things to cut and good questions that need to be asked. He said those sitting on the dais that are reaching out and having conversations with the community are appreciated.

No one else wishing to speak, Mayor Kilsheimer closed the public hearing.

Commissioner Becker said they have gone through every page of the budget workbook through the workshop meetings. They have had conversations about every line in the budget and every Council member is trying to be fiscally responsible for the City of Apopka. He said the budget process was open to the public and the workshops were not very heavily attended. He stated there were areas that could be trimmed, but there was not enough time between now and October to do that.

Commissioner Velazquez expressed disappointment with a 3/2 vote having spent as much time on this during the budget workshops.

Commissioner Bankson agreed they did work hard and worked together on this. He said during those meetings not everything was agreed upon, but there was consensus. He stated there were still some items he disagreed on.

MOTION was made by Commissioner Becker, and seconded by Commissioner Velazquez to approve the first reading of the FY 2016-2017 Budget and set September 28, 2016 at 5:05 p.m. as the final public hearing date. Motion carried three/two by a roll call vote with Mayor Kilsheimer and Commissioners Velazquez, and Becker voting aye, and Commissioners Dean, and Bankson voting nay.

C. ANNOUNCE FINAL BUDGET MILLAGE RATE HEARINGS

Mayor Kilsheimer announced the City of Apopka has approved the tentative budget for FY 2016/2017 and sets September 28, 2016 at 5:05 p.m. as the final public hearing date.

D. ADJOURNMENT - With no further business to discuss, the meeting was adjourned at 6:37 p.m.

ATTEST:

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

_____/s/_____
Joseph E. Kilsheimer, Mayor