

CITY OF APOPKA

Minutes of the City Council budget workshop meeting held on July 05, 2018, at 1:30 p.m., in the City of Apopka Council Chambers.

PRESENT: Mayor Bryan Nelson
Commissioner Doug Bankson
Commissioner Kyle Becker
Commissioner Alice Nolan
Commissioner Alexander Smith
City Administrator Edward Bass
City Administrator Glenn Irby

PRESS PRESENT: John Peery - The Apopka Chief
Reggie Connell, The Apopka Voice

INVOCATION: Pastor Ben Bankson of Victory Outreach Church gave the invocation.

PLEDGE: Mayor Nelson led in the pledge of allegiance.

Mayor Nelson said he wanted to make sure everyone received the response that is now posted on the City's facebook page with regards to the fireworks display form last evening. He stated the company putting off the fireworks contacted them at 8:30 p.m. stating it was going to be a little late; then within another 30 minutes this company called stating it would be 10:00 p.m. and at 9:30 p.m. the company advised they would not be putting off the fireworks. He said they could have made continuous updates to this and had they known the outcome, they would have made notification. He reported the Fire Department had nothing to do with this and it was strictly the firework company's call to cancel and the City would be looking into this further.

BUDGET MEETING

1. FY 18-19 Budget Summary Presentation

Edward Bass, City Administrator, provided an overview of the FY 2018-19 Proposed Budget. He reviewed the Budget Process advising the estimated taxable values are received from the Property Appraiser the first of June and the certified taxable values are received the first of July. He and the Mayor meet with each Department to review their proposed budget. He advised that this year there were only four new positions added. An Inspector and Permit Clerk were added to the Building Division to expedite the permit process. Two Communication Technicians for Dispatch were added to improve service. There were also two positions changes: Public Information Officer was removed from the budget, and a Full-time Park Ranger was moved to Part-time. The proposed budget also includes funding for a 3% merit raise, a salary survey, Orange County Station 29 Agreement, the meter replacement program, and operations of the Splash Pad.

Mr. Bass advised the proposed millage rate is set no later than August 1, 2018, as well as the DR-420 is submitted to the Property Appraiser, and the public hearing dates are determined.

He advised if City Council is considering raising the millage rate, they will want to set the proposed rate at the higher amount, explaining that it can always be set lower, but it is very difficult to raise the proposed millage rate. The first budget public hearing will approve the tentative millage rate and approve the Proposed FY 2019 Budget. The second budget public hearing will set the millage rate and adopt the FY 2019 Budget. By October 1, 2018, the Finance Director distributes copies of the adopted budget to city staff and it is posted on the city's website.

Mr. Bass reviewed challenges to include updating the General Ledger, reconciliation of bank, fixed assets, and utilities. He affirmed there has been a large employee turnover in the Finance Department that attributed to this. Other challenges include water meter change-outs, debt increase, and the use of reserves. In November 2018, there will be a referendum on the ballot for an additional homestead exemption that can ultimately affect the city finances.

Infrastructure improvements included in the proposed FY 2019 Budget are road improvements at 436/441 for the City Center, Harmon Road Extension, improvements of the intersection at US 441 and Bradshaw Road, a roundabout at Bradshaw Road and Old Dixie Highway, stormwater funding, and new sidewalk funding. He reviewed the Capital items included in this budget, as well as items that have been excluded.

Mr. Bass advised at this time the FY 2019 Budget is not balanced. He reviewed ways to balance the budget to include a millage rate increased, continue red light camera revenue, budget cuts, or use of reserves. He recommended not taking from the reserves. A copy of the presentation is on file in the City Clerk's office.

Mr. Bass reviewed the General Fund revenues, advising the numbers in yellow are projected. He reviewed expenditures and stated not to be alarmed that public safety is down, as it is down overall \$1.2 million due to the Fire Station 5 funding, vehicle funding, and new employees the previous year. He pointed out that Culture and Recreation is down \$226,448, stating the Splash Pad is included in these numbers, but they have taken some funding out such as the Old Florida Outdoor Festival. He said they are looking at ways to do events, have nice programs without absorbing all of the losses.

Commissioner Becker said a lot of people enjoyed the Old Florida Outdoor Festival, and asked what the plan was for this fiscal year. Mr. Bass said other events are still funded and there is funding for some events. He stated they could revisit the Old Florida Festival if it is decided they want to move forward with this and advised they were looking at alternatives.

Mayor Nelson stated they cancelled the contract where the City would be paying \$30,000 for each event, plus absorb losses on any of the events. He advised he has had discussion with various promoters who are willing to come in for \$0.00 and give the city a percentage of gross revenues. He stated he hopes to have an RFQ in the next few months to find a promoter that will do the events at their cost and share in the revenues. This could not be done until the amphitheater roof is repaired.

Commissioner Bankson said the City has paid a lot for the momentum and he would hate to completely lose this, especially the BBQ competition. He stated if this can be accomplished through a private partnership not costing the city and possibly end up with revenue is a perfect track.

Commissioner Smith said the 4th of July was a great outing for families and friends that felt we should be using this facility more than we are.

Mr. Bass went on to review the expenditures reporting the city paid out \$2.3 million in debt service payments and in FY 19 they will be paying out just over \$4 million. He pointed out from FY 18 to FY 19 there is \$603,559 additional debt service. He said this is an area where there has been almost a 17% increase in the debt service payment, but it is critical to know the debt service has been almost doubled.

Commissioner Becker said in reviewing the CAFR it looks like on average it is around 5% average debt as a ratio of our General Fund expenditures.

Mr. Bass reported we are out of balance by approximately \$733,000.

Commissioner Nolan said the Red Light Cameras were not included in the budget. She stated there were a number of citizens for them and a number against them. She asked if it is decided to get rid of them, rather than all at once, could they be phased out over a couple of years rather than raising taxes. She said a lot of this income is from people outside the city.

Mr. Bass advised they could take a phase out approach after December 31, 2018. He stated the budget is built with the numbers ending on December 31, 2018.

The Council recessed at 3:02 p.m. and reconvened at 3:11 p.m.

2. FY 18-19 Budget Departmental Presentations

Mr. Bass reviewed the following:

Mayor's Office: overall down 16.51%. The Commission discretionary funds remain budgeted.

Administrative Services: overall down 42.95%. He advised there were some large contractual services in this area that will be reviewed for future. Part of this decrease was moving an employee to Finance.

City Clerk: down 76.13% and this is due to there being no elections this fiscal year.

Finance: Ms. Roberson stated, as Commissioner Bankson pointed out, a position as moved into Finance to administer the grants, and this contributes to the increase.

Human Resources: Commissioner Nolan inquired why the position of Director was stepped down to Operations Manager.

Mr. Bass said there was an HR Director position and Tangela Whaley was working in the Finance Department, but her knowledge is Human Resources. He advised she was moved into the HR Operation Manager's job with the ability to move the position forward to Director as she learns the process.

Ms. Whaley said her current role will encompass Risk Management as well as Human Resources and it was determined it would be a better role as Operation's Manager to cover everything.

Mayor Nelson advised that Ms. Whaley will be handling a Salary Survey that was under the prior administrations budget. This will also include a review of staff and qualifications.

Ms. Whaley said the increase in Human Resources budget this year was due to increases in premiums and increases in workman's comp claims. She advised there was an overall 22% increase with PRM (Public Risk Management) that was due to property rates and payroll. She advised that the city is one of PRM's largest entities and as a result we have higher claims.

In response to Commissioner Becker inquiring if PRM helps mitigate claims, Ms. Whaley responded in the affirmative stating the city has not utilized PRM to their full capability in the past. Commissioner Becker also inquired about our medical premiums and if it would help for the city to pay 90% and the employee pay 10%. Ms. Whaley advised it would remain the same as the city is at 8% due to the participation in a pool and in line with all other group participants.

Information Technology:

Commissioner Nolan inquired about the positions of Director and Supervisor and why there were two upper level positions for five employees. Mr. Hippler advised the IT Supervisor position was created in 2010 that was initially established to create a barrier between the IT Director and the rest of the city. He advised that he served in that position and was promoted to Director. The position remained open and one of the senior technicians was interested in upward mobility and has knowledge capable of most of the department, therefore he was promoted. His prior position is still open and the department is functioning with six employees. He advised Information Technology will be taking over the radio system and it will be determined if this can be handled by the department without filling that position.

Mr. Hippler advised the \$55,000 in equipment and machinery is upgrading current equipment.

Fire Department: Chief Carnesale said the Fire Department is split in three division; Fire Chief's Office, EMS, and Suppression. He advised that the change in salaries for EMS and Suppression is due to moving all certified paramedics into the EMS division.

In response to Commissioner Nolan inquiring as to the actual amounts of savings without the onetime capital fees, Mr. Bass said he would have to calculate that amount and bring it back to Council.

Police Department: Chief McKinley reviewed the Police Department's budget and reported the school resource officers have been through SRO training. He stated they will continue to teach the MAGIC program and have the interaction with the students. He advised the school board receives funding for SRO's and we are under negotiations with the school board on salaries. He explained they were working toward getting the vehicles on a rotation.

Commissioner Becker inquired as to the Red Light Camera contract revenues and asked if this ends in December whether they had modeled any potential revenue stream in terms of physical enforcement.

Chief McKinley said this was going to be challenging. He reiterated four officers are being taken out of patrol to fulfill the statute requirement of SRO's. If needed they can transfer officers from other areas until it can be addressed. He pointed out there has been no new officers added to the force in two years and the per capita has dropped to 2.09 per 1,000. He stated if an intersection has an increase in accidents, they will make the public as safe as they can, but to routinely address the intersections outside the red light cameras will be difficult.

Mayor Nelson asked Chief McKinley to address the gun range and the berms.

Chief McKinley said that every so often the lead has to be removed from the berms and assure the berms are the proper height based on NRA standards. He advised the berms were within standards, but they are taking the lead out and redoing the berms, bringing them higher, as well as placing baffles.

Public Services:

- Facilities Maintenance was reviewed and Mr. Bass had covered most of the maintenance under his presentation.
- Fleet Maintenance was reviewed and Mr. Davoll, Public Services Director, advised the changes were minor, advising they would be installing a larger lift to handle the larger vehicles.
- Cemetery was reviewed and Mr. Davoll advised there were some issues with the roads in the cemetery requiring repairs, otherwise, there is no change.
- Grounds Maintenance was reviewed and is very similar to last FY budget. He advised there has been some equipment added. Discussion was held regarding the inmate crews. Mr. Davoll stated the areas the city mows is on a rotation, pointing out this is the growing season and grass would be higher at times. He advised he had requested two additional staff, and stated you have to look at the overall picture, this was not just personnel, but equipment would be required as well.

Athletic Complexes: Lorena Potter, Recreation Manager, reviewed the Athletic Complexes budget, stating overtime costs were down with less events. Otherwise, the remainder of the budget is consistent.

Recreation Athletics: Ms. Potter reviewed the budget, stating the overtime again was lower due to less events. She said the freight and postage was removed from here and placed in one area for the department. She further advised that all utilities are addressed in this budget.

In response to Commissioner Becker inquiring about tournament pricing, Ms. Potter advised the fees are based on daily rates for tournaments and they are charged for lights if it extends into the evening. These fees are set and approved by Council. In addition, Cindy Edwards advised some tournaments require a gate fee. She advised this is standard in other areas, as well as Seminole County. She stated Seminole County has higher fees and they have AstroTurf. Ms. Edwards pointed out that we have our own concessions. She suggested we may want to evaluate and possibly raise our fees, but not to the point we lose what they have worked for. She advised that we did 67 tournaments last year, stating we were maxed out and could not add much to this without adding fields. She stated staff did a great job at scheduling with Little League, Pop Warner, AAU, and the tournaments.

Recreation Programs: Ms. Potter said the most significant decrease will be noted here due to dropping the Old Florida Outdoor Festival and the BBQ event, pointing out that all the contractual services drop as a result of this. There is an increase in other salaries and wages due to the part-time seasonal for the Splash Pad. She advised that once the rebuild of Alonzo Williams Park is complete that they will need to look at adding additional staff.

Commissioner Bankson reiterated that the BBQ event was worth pursuing.

Ms. Potter pointed out that Mt. Dora has a lot of events, but the City does not fund all of these events, some are by outside entities that are cosponsored by the City of Mt. Dora. She reported that Apopka has kept the Easter Egg Hunt, Halloween in the Park, and Winter Wonderland that are all free and well attended events. She stated we still need to keep the awareness of the Amphitheater and keep that momentum and interest.

In response to Commissioner Nolan, Mr. Bass advised that the funding was in the budget for a Recreation Manager/Director position. This will be further evaluated with the salary survey.

Community Development: Jim Hitt, Community Development Director, handed out some general information for development projects that each department has to deal with in one form or another. He reported there are 45 developments that have been approved and some under construction. These account for 5,000 units coming into the city and approximately 1,200 square feet of commercial. He advised there are other projects under review and at any one time they have 60-70 different projects the department is reviewing. They initially added 5 people to this budget and it was narrowed down to 2; 1 permit clerk and 1 inspector for the Building Safety Division.

Commissioner Becker inquired about the re-write of the Land Development Code.

Mr. Hitt advised they just sent the final main comments and said after addressing comments it should be before Council for adoption by October, with a possible workshop in August.

In response to Commissioner Nolan regarding the increase in advertising, Mr. Hitt said this was due to growth, as well as the type of advertising that is required for the type of developments coming in. He also addressed an increase in contractual services, stating they are looking to store files electronically and there is associated cost of disposing the paper documents.

He reviewed the Building Division and said they were processing approximately 20 permits a day. There are 2 Permit Clerks and 1 Permit Tech handling these. There are 3 Inspectors that do 20-30 inspections a day. He advised the only one qualified to review plans is Ray Marsh, Building Official. He said they are looking to hire a Building Plan Examiner that can also serve as an inspector.

Ray Marsh, Building Official, reported they process over 400 permits a month, and they will be doing between 15,000 – 20,000 inspections per year with 3 multiple code inspectors.

Mr. Bass reviewed the Special Revenue Funds as presented:

- Street Improvement Funds
- Transportation Impact Fees Fund
- Recreation Impact Fees Fund
- Fire Impact Fees Fund
- Police Impact Fees Fund
- Stormwater Fund
- Special Assessments Fund
- Grants Fund
- Community Redevelopment Fund.

Mr. Bass reviewed the Enterprise Funds as presented in the proposed budget:

- Public Utilities Fund
- Sanitation Fund
- Airport Fund

Mr. Davoll advised the Water Maintenance increase is due to the replacement of meters. He advised they were replacing over 100 meters per week and they will be focusing on replacing the larger meters.

PUBLIC COMMENT

Mayor Nelson opened the meeting to public comment.

William Gusler spoke to briefly highlight some key areas and look at the historical Budget and referenced a spreadsheet that he handed out, stating that the expenditures have outpaced revenues for the last four fiscal years by \$37.1 million. He declared that was not sustainable. He pointed out the reserves have been depleted from 2013 with a \$30 million balance to a negative \$5.9 million balance in 2017. He said the total reserve numbers are stated to be around \$9 million,

however, without the CAFR report for this year it is hard to determine where these are. He spoke about the budget amendments and stated they appear to be used to circumvent the transparency of the budgeting process. He stated he had confidence the current administration, Council, and staff will get this under control moving forward. His documents are on file in the Clerk's office.

No one else wishing to speak Mayor Nelson closed the public comment.

Commissioner Bankson said looking at the bigger picture with the red light cameras, as opposed to a millage rate increase, 70% of the revenue from red light cameras are from people outside of Apopka. He affirmed that many people he spoke to were not aware of the 12 mph standard on right turns prior to a ticket being issued. He suggested at this point this revenue can make up the deficit without raising taxes and felt it was a reasonable way of looking at it.

Deputy Chief Fernandez said the contract is locked in until December 31st and after that it is up to the Council. He advised it would be perpetual until action from Council or the state law changes.

Mayor Nelson said they were continuously looking for revenue streams, stating Apopka is making a transition from being a "bedroom" community to a vibrant community. He said Apopka is more residential than commercial and a concern is the affect the possible third homestead exemption will have on incoming revenues. He affirmed the services for each house are the same regardless of the size and this is something they need to review as moving forward with regards to square footage. He suggested adding .25 millage rate and this can always be reduced as they work on the budget.

Commissioner Becker said they can always come down with the proposed millage rate and he would suggest a .5 rate and review from that point. This would set Apopka level with surrounding cities and allows the potential for economic development back in the budget. He stated it also allows the potential to start a program for putting money back into a reserve balance.

Mayor Nelson pointed out that by 2020 the debt service will be down by \$1 million a year. He stated there is a two year struggle and then they should be in a good position.

Mr. Bass reported he had additional information regarding fireworks, stating there was a post by the St. Petersburg Times that they had the same vendor with the same timing on reporting there would be no fireworks, and it looks as though there was another municipality with the same issue.

ADJOURNMENT – There being no further business the meeting adjourned at 6:17 p.m.

_____/s/_____
Bryan Nelson, Mayor

ATTEST;

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