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**CITY OF TAVARES  
MINUTES OF CITY COUNCIL BUDGET WORKSHOP  
JULY 13, 2011  
CITY COUNCIL CHAMBERS**

**COUNCILMEMBERS PRESENT**

**ABSENT**

Robert Wolfe, Mayor  
Lori Pfister, Vice Mayor  
Bob Grenier, Councilmember  
Sandy Gamble, Councilmember  
Kirby Smith, Councilmember

**STAFF PRESENT**

John Drury, City Administrator  
Nancy Barnett, City Clerk  
Lori Houghton, Finance Director  
Joyce Ross, Director of Public Communications  
Tammey Rogers, Director of Community Services  
Jacques Skutt, Director of Community Development  
Richard Keith, Fire Chief  
Stoney Lubins, Police Chief  
Bill Neron, Director of Economic Development  
Brad Hayes, Director of Utilities  
Chris Thompson, Director of Public Works

**I CALL TO ORDER**

Mayor Wolfe called the meeting to order at 4:00 p.m.

**Presentation of Budget**

Mr. Drury stated the purpose of the workshop is to deliver the FY 2012 budget and begin the budgeting process. He noted the budget is provided in different ways; i.e. pictures, numbers, graphs, etc. He reminded those present of the dates for the remaining budget meetings (July 20, July 27, August 3, August 17, September 7 and September 21) and commented that the tentative maximum millage rate would be set on July 27. He said on July 20<sup>th</sup> the Five Year Capital Budget and Special Revenue Budgets will be presented He reviewed the components of the General Fund; Water, Wastewater and Reclamation Fund; Stormwater Fund; Solid Waste Fund; Seaplane Base & Marina Fund and Capital Program and commented that the funds have to stand alone. He provided an overview of the FY 12 Budget:

- Current millage rate is 6.95 mils; rollback rate is 7.673 mils

- 1 • Proposed millage rate is 6.89 mils
- 2 • List provided of how the budget has been balanced in recent years, positions deleted
- 3 and positions added
- 4 • Outlined factors in Tavares that impact the millage rate: significant number of properties
- 5 exempt from taxes which all require city services (county buildings, state buildings,
- 6 hospitals, schools, churches, not for profits); significant number of homes with a
- 7 threshold below that of paying any property taxes; and unbalanced
- 8 residential/commercial ratio which used to be 80/20-- with the Economic Development
- 9 program the ratio has changed to 75/25 – the goal is 60/40. Noted for every dollar that a
- 10 commercial enterprise pays to a General Fund, only .80 is utilized in services.
- 11 • Total General Fund Budget will be reduced from 12 million to 11.5 million
- 12 • Tax revenues will decrease by about \$300,000 from \$4.5 million to \$4.2 million
- 13 • Budget cuts for all enterprises total about \$6.5 million which is shown in Exhibit A and
- 14 identifies existing items in the budget that were cut and proposed items that were cut
- 15 • General Fund Reserve Balance is proposed at about \$1.2 million, which is about 10.8%
- 16 of the budget. Recommendation is being made to appropriate about \$433,000 of
- 17 reserves to balance this budget. In addition, the proposal is being made to set up a line
- 18 of credit for \$1.5 million which will cost about \$3,000. That line of credit will only be used
- 19 for FEMA reimbursable disasters.
- 20 • Not recommending any pay increases to any employees except for nine employees that
- 21 are in the Hartford retirement program. Recommendation is made that those employees
- 22 contribute to their retirement program. Previously Council approved requiring the other
- 23 employees to contribute but approved an adjustment in pay of 3%. The similar
- 24 recommendation is being made for the Hartford employees to create equity among all of
- 25 the employees.
- 26 • The health insurance plan rate will increase the contribution from the employee from
- 27 48% to 50% of the premiums. It also calls for splitting any increase in cost between the
- 28 employee and the employer. Recognizing that this will add significant costs to all of the
- 29 employees, an HMO plan will also be offered at a lower cost to the employee.
- 30 • Several unfilled positions will remain: Executive Administrative Assistant to the City
- 31 Administrator; Planning & Zoning Administrative Assistant, one IT position, one police
- 32 officer; public works supervisor; GIS tech; and a library youth services coordinator.
- 33 • Recommending to fund the Chamber of Commerce its annual contribution of \$10,000.
- 34 The city developed a partnership with the Chamber from an original request of \$20,000
- 35 that has gone down to \$10,000 and has remained at that level.
- 36 • The 4<sup>th</sup> of July is funded at \$29,000 and annual winter light up event is funded at
- 37 \$14,000
- 38 • Recommended millage rate is 6.89 mils: a \$150,000 home, homesteaded would pay
- 39 \$57.42 a month to fund the General Fund (911, COM Center, Code Enforcement, Fire
- 40 Department, Police Department, Parks, Recreation , Library, Planning & Zoning,
- 41 Procurement, City Clerk, Public Works, Cultural Affairs, Legal Services, Liability,
- 42 Property Insurance, etc.)
- 43 • Water, Wastewater, and Reclaimed: Budget is \$6.5 million with 28% in reserves

- 1 • Stormwater: budget is \$488,000 with 1% in reserves
- 2 • Solid Waste Collection: Budget is \$2.4 million with 5.7% in reserves
- 3 • Seaplane Base & Marina: Budget is \$568,000 comprised of \$281,000 from seaplane
- 4 operations; \$63,476 from TIF District and \$224,163,000 from General Fund. Included in
- 5 the budget is Renaissance Faire Event for \$4,000, the Dragon Boat Event funded at
- 6 \$5,000, African American Festival at \$1,000; Bass Open event at \$25,000 from the
- 7 County and \$10,000 from the City; Bass Pro Crappie event funded at \$10,000 from the
- 8 County and \$10,000 from the City; Planes Trains and BBQ event with the air show at
- 9 \$30,000 and two Jet Ski events at \$5,000 each
- 10 • Capital Improvement Program will be provided at next meeting. Included are the Pier &
- 11 Pavilion; Woodlea Sports Park; the Public Safety Complex; the Alfred Street One Way
- 12 Pair; and the Dora Canal Bridge replacement and a few others being finalized.
- 13

14 Mr. Drury commented on the minutes included from the March meeting which shows the goals  
15 from each councilmember that were identified. He noted that the Finance Director's summary  
16 will highlight other information that will provide assistance in reviewing the budget. He said the  
17 data pertaining to the assessed value of the downtown properties shows that those values did  
18 not drop as much as the rest of the blended city properties which the city believes is a reflection  
19 of its focus on economic development in the downtown. He discussed other facets of the budget  
20 such as organization chart; charts, budget line items, department data; goals, etc.

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22 Mr. Drury requested Ms. Houghton to make the power point presentation of the budget.

23  
24 Ms. Houghton reminded Council and those in attendance that the budget is developed and  
25 implemented with the City's vision in mind. She discussed a list of city initiatives:

- 26
- 27 • Downtown Master Plan implementation
- 28 • Economic development for job growth and community prosperity
- 29 • Hoped for relocation of ICON aircraft to Tavares
- 30 • Alfred Street Realignment & Construction
- 31 • Wooton Park Seaplane Base Pavilion on the Lake
- 32 • Water & sewer line replacements in the downtown CRA funded through USDA loan
- 33 • Phases 1-3 of the water reclamation project
- 34 • Woodlea Sports Project development
- 35 • Police & fire public safety facility
- 36 • Nostalgic downtown train service
- 37

38 Ms. Houghton discussed sources of revenue and growth trends (which appear to be constantly  
39 going forward based on the 2010 census). She discussed budget constraints, the millage rate  
40 and the increased CIP rate.

41  
42 **Summary**

1 Ms. Houghton summarized the proposed budget as follows:  
2

- 3 • Reduce the millage rate from 6.95 to 6.89
- 4 • Do not fund two positions – GIS and police officer
- 5 • No COLA for employees
- 6 • CIP is 2.17 which is included in the water, wastewater and solid waste rates. She  
7 pointed out that solid waste rates change in February of 212 while water and wastewater  
8 rates change October 1<sup>st</sup> of every year
- 9 • No merit increases for employees
- 10 • Health insurance increases budgeted at a blended rate of 7% (50% for employees for  
11 family coverage; employee share 50% in the increased cost for single coverage)
- 12 • FRS contributions for employees budgeted at the blended rates
- 13 • 3% for the FRS offset; 3% for the Hartford offset included
- 14 • Fire Pension contributions decreased but still constant
- 15 • Police Pension contributions are constant
- 16 • General Liability Insurance assume 5% increase
- 17 • Workers Compensation assume 5% increase

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19 Ms. Houghton thanked Council, Mr. Drury, all the departments, and the Finance Department  
20 staff for their assistance in compiling the budget.

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22 Mr. Drury said that staff will be prepared to answer any questions and provide further  
23 information for Council. He encouraged council to review the items he had cut from the budget.

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25 Mayor Wolfe asked Council if they had questions. Councilmember Gamble noted he had further  
26 research he wished to do.

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28 Mayor Wolfe asked if the audience had comments.

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30 **Adjournment**

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32 There was no further business and the meeting was adjourned at 5:47 p.m.

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34 Respectfully submitted,

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38 Nancy A. Barnett, C.M.C.  
39 City Clerk  
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