

**CITY OF TAVARES
CITY COUNCIL BUDGET WORKSHOP
MINUTES
JULY 10, 2013
CITY COUNCIL CHAMBERS**

COUNCILMEMBERS PRESENT

ABSENT

Robert Wolfe, Mayor
Kirby Smith, Vice Mayor
Norman Hope, Councilmember
Lori Pfister, Councilmember

Bob Grenier, Councilmember

STAFF PRESENT

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

I CALL TO ORDER

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

II. Fiscal Year 2014 Proprietary Budget Summary

City Administrator Presentation

Mr. Drury said this budget workshop is the second of a three part budget delivery process for the FY14 Budget. Mr. Drury provided a brief recap of the General Fund. He said that once the three deliveries (*1. General Fund, 2. Proprietary Funds, and 3. Special Funds and Capital Improvement Program*) are completed Council will have the entire budget.

Mr. Drury provided a high level overview of the Proprietary Funds :

- Water: Treatment/Distribution. Fees based on Rate Study to cover operational and debt Service costs. Major upgrades to the CRA are proposed this fiscal year and into next fiscal year.

- 1 • Sewer (Waste Water): Treatment/Collection. Fees based on rate study to cover
2 operational and debt service costs. Major upgrades (includes replacement of clay
3 pipes installed in the late 1800's) to the CRA are proposed this fiscal year and
4 into next fiscal year.
- 5 • Reuse (Reclamation/Reclaim/Recycled) Treatment/Distribution. Fees based on
6 rate study to cover operational and debt service costs. This year we have hooked
7 up several orange groves and residential developments. We plan to keep adding
8 others next year.
- 9 • Stormwater: Collection/Treatment. Rates based on Revenue Sufficiency Analysis
10 to cover operational and debt service costs. Rates are based on a revenue
11 sufficiency analysis to cover operational costs and debt service.
- 12 • Solid Waste (Sanitation/Garbage Collection): Includes – Household waste (Yard
13 Waste, Bulk Pick-up), Recycling and Commercial. Commercial is contracted out
14 to Waste Management. Rates based on an in-house analyses to cover cost of
15 service and debt service.
- 16 • Seaplane Base: Includes Propshop Retail Store, Boat Marina, Airport
17 Operations, Splash Park, Wooton Park Maintenance. Revenues are made up of
18 Operational Sales, CRA tax funds and General funds. Operational sales include:
19 fuel sales, boat slip rentals, retail sales, fuel sales, gazebo rentals, Flight training
20 &Seaplane scenic tour operational business lease rental payments, splash park
21 wristband sales). Rates based on market conditions.
- 22 • The Pavilion On The Lake: This includes the operation of and accommodation of
23 a conference center, wedding facility and special events. Rates are market
24 driven. It is budgeted for a partial year as it does not open until half way into the
25 fiscal year.

26
27 Mr. Drury said the next budget workshop will include the delivery of the third part of the FY14
28 budget which include Special Funds (Police Forfeiture) and 5 Year Capital Improvement
29 Program.

30
31 **Finance Director Presentation**

32
33 Ms. Houghton said the budget is based on the city's vision and initiatives. She said the largest
34 initiatives are the completion of the reclaimed facility on Woodlea and the downtown
35 water/wastewater line replacements in the CRA.

36
37 Ms. Houghton gave the following budget highlights:

- 38 • One new position for Water/Wastewater treatment that will be shared by the water and
39 sewer departments.
- 40 • One new position for Stormwater.
- 41 • Three new positions to staff the Pavilion on the Lake. It is the hope to bring this position
42 on board before the pavilion is complete to assist in getting the operation up and running
43 and turning a profit in a short period of time.

- 1 • Increase Finance Budget Specialist Accountant position from part time to full time. This
- 2 is a shared cost with the utility proprietary fund.
- 3 • General Liability Insurance is budgeted at a 10% increase.
- 4 • Workers' Compensation is budgeted at a 5% increase.
- 5 • 2.5% Pay Adjustment for employees effective October 1, 2013.
- 6 • No Merit Increases for employees
- 7 • Health insurance premiums remain stable with no increase budgeted
- 8 • FRS employer contribution rate increases effective July 1, 2013. Regular class is 7.53%
- 9 rate & 18.742% for Senior Management class.

10
11 Ms. Houghton provided a PowerPoint overview of each fund account (Water, Wastewater,
12 Reuse, Stormwater, Seaplane Base & Marina and Pavilion on the Lake) highlighting the
13 Revenues, Services, Salary & Benefits, Operating Expenditures, Capital Outlay/Debt Service,
14 Transfers, Grants & Aid.

15
16 Dump Truck

17
18 Vice Mayor Smith asked if the dump truck budgeted at \$17,000 in the Stormwater Fund is a
19 used truck. Mr. Hayes said yes.

20
21 Councilmember Hope inquired about the total cost of the truck. Mr. Hayes said it is \$51,000
22 and spread over three departments.

23
24 Budget Specialist Position

25
26 Councilmember Hope asked who the Budget Specialist position would report to. Ms. Houghton
27 said the position will report to her but will also work with Mr. Drury in budget matters. Mr. Hope
28 asked if they would have other responsibilities other than the budget. Ms. Houghton said they
29 will be 90-95% budget work but it is inner related with financial aspects that they will need to be
30 familiar with and bring into the budget area. Mr. Hope asked for confirmation that this will be
31 strictly a budget specialist position and Ms. Houghton confirmed.

32
33 Councilmember Smith said he would be in support of the budget specialist position having other
34 duties unless it interfered with budget duties.

35
36 Mr. Drury said that a job description will be provided and the Budget Specialist position will be
37 budget oriented and concentrated. There will be a clause in the job description for other related
38 duties as there may be a time when they are completing a financial issue. He said every
39 department is a business and the position will be working on budgets all year. Mr. Hope said he
40 would like the position to concentrate on the budget and not diluted into other responsibilities
41 that take away from that main emphasis.

42
43 Personal Services

1 Councilmember Hope inquired about the personal services increases above the 2.5% pay
2 increase. Ms. Houghton said they include FRS and Workers Compensation increases which
3 are all combined into the personal services and it is not strictly salaries.
4

5 Stormwater
6

7 Ms. Houghton noted the Stormwater fees will move from \$5.50 to \$6.25 in FY14. She said the
8 stormwater fee analysis used for the stormwater revenues last year had not been fully
9 completed for commercial accounts which is based on equivalencies of Equivalent Residential
10 Units (ERU). She said they have completed most of that now so the revenue is pretty
11 straightforward for all of the accounts. She said they will probably be coming back with some
12 adjustment on the stormwater revenues for the FY14. She said that in FY14 there is \$52-
13 \$53,000 budgeted to go back into reserves.
14

15 Mr. Drury said for clarity that the increase will be .75 cents per month per resident ERU. He
16 noted there is a mathematical equation based on impervious surface to determine a commercial
17 rate. Ms. Houghton noted that an ERU is 3000 square feet of impervious area. She said most
18 cities have a smaller amount of square footage for an ERU's than Tavares which equates to
19 higher charges for commercial.
20

21 Councilmember Hope asked how .75 cents equates to a 4.2% increase. Ms. Houghton said the
22 revenues for the current year are correct. Ms. Houghton said the 4.2% is the change from the
23 prior year budgeted revenues. She said the budget revenues will be adjusted in the current
24 year and that percentage will be higher when the revenue is decreased.
25

26 Stormwater Position
27

28 Vice Mayor Smith inquired about the new Maintenance Worker 1 position.
29

30 Mr. Hayes said that the city has more communities requesting street sweeping services. He
31 said the city is already maxed out at 5 days a week and the city should be sweeping 7 days a
32 week. Mr. Smith inquired how many employees we have. Mr. Hayes stated two employees
33 with two trucks. He said this position will also include repairing pipes and other in-house
34 repairs.
35

36 Solid Waste Truck
37

38 Councilmember Hope inquired about the cost and lease for the automated truck. Mr. Thompson
39 said there is currently one truck to service the mobile home parks which is also used as a
40 backup and is very old. He said \$80,000 is for a truck that needs a complete overhaul.
41

42 Ms. Houghton discussed the capital lease program and noted the cost will be \$77,940 for five
43 years.
44

1 Splash Park

2
3 Councilmember Pfister stated she is not in support of increasing the entrance fee to the splash
4 park from \$2 to \$3 and felt it would not be affordable to the citizens. She inquired about the
5 reduced hours.

6
7 Mr. Neron noted that the boat tour operator is no longer operating out of the Seaplane Base and
8 Marina. The sale of gas and oil has declined as the Twin B is no longer based in Tavares and
9 the Beaver has been purchasing fuel elsewhere. Gazebo and other rentals are up. Mr. Neron
10 said the \$50,000 in revenues in the current budget is an overestimate and the Splash Park fees
11 need to be reviewed. He said that June was one of the highest months for Splash Park
12 attendance. Mr. Neron said the Splash Park has been in operation for five years and staff felt
13 that a dollar increase in the fee would be appropriate to help offset rising expenditures over the
14 years.

15
16 Councilmember Hope inquired about the revenue estimate of \$50,000. Mr. Drury said this was
17 budgeted for FY13 and we are currently in the middle of the fiscal year. He said Splash Park
18 revenues will continue until we close in October. Mr. Drury said staff will provide an update from
19 the opening in April and projected revenues for the next three months.

20
21 Vice Mayor Smith asked for all of 2012 and 2013 revenues. Mr. Neron said he will provide a
22 three year trend to Council. Ms. Houghton said the revenues in 2012 were \$39,000.

23
24 Mr. Neron said that to cut back on expenses the Splash Park hours were reduced to weekends
25 only through the month of September and the month of October was cut out entirely as
26 attendance is reduced during the week once school starts.

27
28 Prop Shop

29
30 Mayor Wolfe inquired if boat flags have been ordered. Mr. Neron said he did not know the
31 current status, but that staff is working on a program to improve on line sales.

32
33 Mr. Smith asked Mr. Neron to look into purchasing a pole for the flags that go into a boat anchor
34 light.

35
36 Mr. Smith inquired about the hourly wage for seasonal employees. Ms. Houghton said the
37 Splash Park seasonal employees receive \$9 per hour. She said the 2.5% pay adjustment
38 increase and FRS only applies to full time employees.

39
40 Mr. Neron said that in this year's budget the fixtures along with the new splash park flooring
41 were painted, and this year the budget includes painting the seaplane fixture. Ms. Houghton
42 said there will be other miscellaneous repairs within that line item and the total amount is not
43 intended for just the painting of the splash park seaplane.

1 Mr. Neron noted the city receives continual compliments on the cleanliness of the park
2 restrooms.

3
4 Pavilion on the Lake
5

6 Vice Mayor Smith asked Mr. Drury about the revenue projections for the pavilion. Mr. Drury
7 discussed the business plan, marketing plan and budgeted reserves.

8
9 Ms. Houghton discussed the budgeted reserves noting that after a full 12 months of operation
10 they will start with approximately \$65,000 in reserves.

11
12 Ms. Houghton noted the grand opening is budgeted at \$37,500. Ms. Rogers said the grand
13 opening plan will be brought before Council. She said the goal is to have a black tie gala as an
14 experiment to roll out the facility at no cost to the citizens. Councilmember Pfister said this is
15 half the cost of the opening of the Seaplane Base & Marina.

16
17 Councilmember Hope said he has specific questions regarding the grand opening budget and
18 would like to see the plan.

19
20 Mr. Drury said the plan will be coming before Council consideration within the next 30-60 days.
21 He said the plan is for the facility to be budgeted by revenues and to be self sufficient.

22
23 City Council Discussion
24

25 Mayor Wolfe asked for Council questions and comments.

26
27 Health Insurance for Councilmembers
28

29 Vice Mayor Smith inquired about healthcare budgeted for Councilmembers included in the
30 Council budget. Mr. Drury said it is a new program which provides the opportunity for
31 Councilmembers to join the healthcare program the same as an employee. Vice Mayor Smith
32 said Council has already approved to piggyback on the city healthcare insurance as long as
33 each member pay 100%. He stated that he is not in support of this cost to the citizens.

34
35 Councilmember Hope said he was in agreement with Vice Mayor Smith and will not avail
36 himself to the program. Mr. Hope said he does not have a problem with offering it to Council on
37 an individual basis but does not like the fact that citizens would pay for it. He said that if it will
38 assist some Councilmembers in their service he can see why it would be offered. He said that
39 he does not consider himself an employee of the city but an elected official.

40
41 Councilmember Pfister said she spends many extra hours in meetings, events, research etc,
42 and believes this is a fair benefit. She said there are other cities who offer this benefit.
43

1 Mr. Drury said it is varied depending on the city across Lake County. Leesburg provides it for all
2 of its Councilmembers' and Mt. Dora does not. He said this is a policy decision.

3
4 Vice Mayor Smith said that he would like those monies removed and used for a fire rescue truck
5 for ALS service.

6
7 Mayor Wolfe said that he gets calls every day, every night, and on the weekends. He said he
8 attends meetings throughout the week and at times every day. He noted that a meeting can
9 equal 3-4 hour time away from his job. He said that when Obama Care is implemented the city
10 will have to pay for insurance. Mayor Wolfe noted that the citizens voted to increase Council pay
11 and when he talks to citizens and employees they already think the City Council has healthcare
12 paid by the city.

13
14 Mower

15
16 Councilmember Smith noted a mower in the Parks & Recreation budget is listed as a Jacobsen
17 5410D. He said that Jacobsen does not make that model and it is a Toro. Vice Mayor Smith
18 said a 2009 Toro can be purchased for \$18,000.

19
20 Ms. Rogers said she will check that information.

21
22 Retirement Contribution

23
24 Vice Mayor Smith noted that the contribution to retirement is high. Mr. Drury said the Governor
25 wanted the pension to be funded from a current 90% to 100%. In an unfunded mandate the
26 state has increased the pension contribution for each agency. He anticipates it will be
27 decreased in the future. Ms. Houghton said most of the increase is to fund the unfunded
28 liability.

29
30 Legal Fees

31
32 Vice Mayor Smith asked for a breakdown of legal fees to acquire the Sparks property and
33 miscellaneous items.

34
35 Police

36
37 Vice Mayor Smith inquired about the \$320,000 increase to the Police Budget for vehicle
38 purchases. Mr. Drury explained the vehicle lease procedure and how it is budgeted for the first
39 year.

40
41 Vice Mayor Smith inquired about the contractual services for Spillman that went from \$15,000 to
42 \$34,000. Mr. Drury said this is the inner phase between the laptops and computer system with
43 the Sheriff's Office. Chief Lubins said the cost was split between two divisions in the past year
44 between dispatch and patrol.

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Fire Department

Vice Mayor Smith inquired about \$5,000 included in the budget for paramedic training. Chief Keith said that is for a current employee who is an EMT to become a paramedic.

Chief Keith noted that he took a rescue truck out of the budget because they are not ready for it at this time. He said that the goal eventually is to not run fire trucks to rescue calls.

Adjournment

There was no further business and the meeting was adjourned at 6:17 p.m.

Respectfully submitted,

Susie Novack, MMC
Deputy City Clerk