

CITY OF APOPKA

Minutes of the City Council budget workshop meeting held on July 15, 2020, at 5:00 p.m., in the City of Apopka Council Chambers.

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

PRESS PRESENT: John Peery - The Apopka Chief

INVOCATION / PLEDGE – Mayor Nelson called on Commissioner Bankson to provide the invocation and lead in the pledge of allegiance.

BUDGET MEETING

Community Development

Jim Hitt, Community Development Director said that he did not have many changes to his budget and that his budget is very lean. He said that the UCF Incubator is no longer in Apopka, UCF decided to pull this, which means there is automatically \$180,000 savings there. He said that one thing staff and the Finance department are working on is the Permitting Software, which is for Building Permits, Planning and Zoning and Business Tax Receipts. He said this item was in the budget last year for a total of about \$50,000 and said that if we can't get that program going this year, depending on a piggyback contract that's under review, he will roll that over into next year's budget. He said this may be another \$50,000 change and it probably won't be a total of \$50,000 as he erred on the side of caution and put more than what he thought it would be.

Mr. Hitt said that the only other thing that he added was under the building section and said that this is for new Florida Building Code books for the inspectors which cost \$884. He said that these books are required for the inspectors to do their continuing testing and they are not allowed to utilize on-line books when they take their tests online. He said that other than that, the budget is pretty lean and there are not many changes. He said we still have money for steel toed boots for the inspectors, which is required as well as some shirts. He said we did not do anything last year but the cautionary flag is that if we're too tight on the budget this year, he won't spend the money on this.

Commissioner Bankson inquired as to whether we're still working with the Chamber of Commerce for Economic Development and wanted to make sure we're not backing off from that to which Mr. Hitt responded and stated the affirmative but stated that portion is coming out of the General Fund and not out of Community Development's budget. .

Mr. Hitt stated that the property at Park Avenue and Sandpiper is going out to bid on Friday and he stated that bids should be submitted no later than September 11, 2020. He stated that this is based

upon the appraised price of approximately \$1.2 million. He said we did take out one-third acre for the re-alignment of Sandpiper so that we can shift that a little to the South and it up for a potential traffic light. This improvement will help that corner and make it safer and more viable as there will be a traffic light to get in and out of.

Commissioner Becker asked if there are any wish list items to which Mr. Hitt responded that we do have some positions to fill but our staff levels are pretty decent right now.

Parks and Recreation

Brian Forman, Director of Parks and Recreation, provided a synopsis of income and expenses that that department has generated and expended over the last year and said that he has approximately \$350,000 of open P.O.'s where some of that money will be spent and some of it will remain in the budget so there are some additional savings there. He said in addition they offset some of the event costs with approximately \$85,000 in sponsorships. He said that his department now includes Cemetery Maintenance and Parks and City Grounds Maintenance, in addition to the Northwest Complex Grounds Maintenance, Athletics, Activities & Events at the Amphitheater and things of that nature. This department also includes the activities and programs at the Fran Carlton Center, the Billie Dean Community Center and at Williams Park. He provided a presentation and highlighted the total operating and total capital expenses. Mr. Forman said this budget includes funding for the re-platting and surveying of the City Cemetery for future use. He said he would like to re-allocate the funds to the corrections contract for the Right-of-Ways so we can focus our staff and our personnel resources on the areas that matter like Kit Land Nelson Park, Edwards Field and around City Hall and the Apopka Community Center. He stated that he is asking for funding for a mosquito control contract and is requesting funds to remove that debris piles around Northwest.

Mr. Forman said that operating expenses were mainly flat from last year with a \$26,000 increase overall for the entire department which includes the hiring of a parks design consultant as we get into future planning. He said that the piggyback contract for the holiday decorations has expired so we need to bid that out and that may mean a slight increase. Also, he included some funds for year round decorative lighting at Kit Land Nelson Park which would be a nice touch for the Farmers Market. He reviewed the costs of the various events and he's identified some cost savings going forward with events such as the fireworks display. He said we've re-allocated funds to provide for a concert series rather than have one big event and have some consistent entertainment and events for the community.

He stated that some of his equipment is old and needs to be replaced and he proposes to purchase one new bush hog and get the mowing done in a third of the time it currently takes. He said a few of wish list items include adding shade to the tennis courts and building a new storage building near the Fran Carlton Center as currently our storage is in various locations. He said future planning includes adding fields to Northwest; pickle ball courts; additional tennis courts and restrooms; field house, a new Fran Carlton building; new dog park. He said once we get to that level, we will require more staff however, currently, we are good on staff.

Commissioner Smith asked if we're advertising on the score boards yet to which Mr. Forman replied no, we're still working with the banners. He then asked if the tree replacement was complete to

which Mr. Forman stated yes however we'll be adding trees to Kit Land Nelson Park and Central Avenue and the City Center.

Commissioner Becker inquired about the Advent thing and whether the talks are stale to which Mayor said that some of the delay may be due to Covid. He then asked whether we could pressure wash the roof at the amphitheater as it's filthy to which Mr. Forman affirmed that we can do that.

Commissioner Bankson stated that investing in new mowers is a good idea if we can find it in the budget..

LEGAL

Michael Rodriguez, City Attorney said that this budget is very similar to last year with minimal increases and said the biggest increase when it comes to the Legal and Risk Management budget is in liability and casualty insurance, due to the cost of the premiums having increased. He stated that most of the other items have remained the same or have reduced. He said we're looking at the possibility of joining an insurance pool to see if we can find any savings there.

FINANCE

Jamie Roberson, Finance Director said as a follow up to what Mr. Rodriguez said about property and casualty, we have a bid going out on Saturday to see if we can reduce that number.

Ms. Roberson provided an overview of their budget for FY2020 and explained that the changes in staffing for their department. She said this budget includes a request for two new positions which are budget analyst and fixed asset positions. She said there has been a slight increase in accounts payable checks; increases in p-cards and e-payments from last year when we converted to a new system. She said we were awarded the Budget Award for 2019 and the CAFR award for 2018 and we have the 2020 award pending and are submitting for the 2019 CAFR. She noted a significant increase for purchase orders as in 2019, we implemented blanket purchase orders for recurring expenditures and said that the projections for 2020 will be up due to the expenditures for some of the projects we've been doing including the tree planting and utility projects and the downtown parking lot. She stated that one of the prominent areas our independent contractor assists us with includes reviewing of the piggyback contracts and said she keeps Michael very busy. She said we use piggyback contracts in an effort to maintain competitive pricing.

Commissioner Becker inquired about the increase of purchase orders volume and asked if we highlight this for the impact on the employee or for insight to which she said this does impact the staff as there are more requisitions coming through and this is an indication that we're getting some of the items that have been pending completed.

Ms. Roberson provided a list of grants that we've secured and said this totals \$360,000 and said that a lot of these are a collective effort by the departments and our grants coordinator, Dr. Jackson and said they're continuing to identify and evaluate additional funding sources. She said due to Covid, we're no longer holding monthly meetings so we have a grants newsletter that Dr. Jackson prepares.

Ms. Roberson provided an overview of the Utility Billing Department and said that some of the types of services we provide include the servicing of approximately 24,488 customer accounts, which is a 4% increase above last year. She said that the bills going out in the mail have decreased as they've been promoting the online tools and said they'll be launching a campaign for customers to sign up for online billing and are offering a one-time \$5 credit to the customers who register for that. She said walk-in customers are down due to Covid. She highlighted some of the accomplishments they've had including putting new controls in place to decrease the amount of errors which contribute to difficult audit and budget processing each year. She said this was one of the major reasons they were able to add to the unassigned fund balance and achieving the goal of having a 25% reserve. She said they will continue to work with the departments and administration to identify formal bid priorities for the upcoming year and provide procurement and grant training.

Commissioner Becker asked about the 2 requested positions and said that one thing that stood out was a fixed asset person and asked this position could potentially reduce the need for a system to which she said she'd need to defer to the design engineering department as to the system but said when it comes to infrastructure, it's at a higher level.

Commissioner Smith asked if any of the grants are recurring to which she said that most grants will need to be applied for however the JAG grants. He then asked if we're going to be able to maintain the 25% reserve to which Mr. Bass stated that the budget that you'll see this evening uses some of those reserves for 2021 to balance as one option so currently, we sit at a little over 25% but if we were to use some of those items to balance for FY2021, we would not have a 25% at this time. Mr. Bass said we're still watching sales tax numbers and are being very careful with what we have now as the 25% may not be 25% if we show a deficit in the current FY2020.

Commissioner Bankson said he's pleased that we were frugal enough to get to that point and have reserves and said this is the type of situation that it's for.

Mayor Nelson said he needs to give credit to Edward as up until Covid, we were \$3 million to the good and attributes about 90% to Edward watching every dollar.

Ms Roberson said we have a slight increases in utility billing in professional services and said we entered into a new contract with a company that prints and sends our bills out in 2019. She said that under operating supplies, we show a 100% increase due to the shift of fuel costs for our meter readers that were previously being paid for by another department.

CITY CLERK

Susan Bone, Deputy City Clerk provided an overview of the City Clerks budget and said that our budget is pretty lean. She said that the coming year is not an election year so for line item 3400 we only have the online Municode maintenance. She said our copier lease doesn't expire until the end of FY2021 so that is being moved to next year's budget. She said that printing services include the supplements to the Code and we've had a couple of supplements and will have another one for the LDC Glitch Amendments. She said the wish list is a new lap top for the department as we have one of

the oldest laptops in the City. She said as our department grows, we have a need for additional help and are proposing to move our part-time position into a full time position.

ADMINISTRATION

Edward Bass, City Administrator said he will be presenting 3 different budgets including HR, Mayor's office and Administration.

HR

Mr. Bass provided an overview of the HR budget and said there is not much of an increase with the exception of personnel. He said we've had 2 positions that were HR Specialist positions and in the current year have re-classified one of them to a benefits specialist as we've been lacking in that area. He said overall, there's a reduction in costs however he wanted to point out that the \$40,000 that you see under professional services was for a consultant that we were paying and said as we're a part of a pool, we no longer need that service.

Mayor's Office

Mr. Bass provided an overview of the Mayor and Commissioner's budget and said that you'll notice a change in personnel and said that this was due to our moving the receptionist to the Mayor's office where it used to be in our office in Administration. He said under the expenditures, they essentially mirror last years and are very similar to the prior year and said that all of the discretionary accounts are still the same as last year so no changes there.

Administration

Mr. Bass provided an overview of the Administrators Office budget and said that the personnel line is down as we moved the receptionist to the Mayor's Office budget. He said there's an increase in the salary and wages line due to the addition of Chuck Vavrek, who is working on the special assessment and that position is under our budget as a part-time employee. He said that once Mr. Vavrek completes the special assessments, he can tackle the fixed-asset program and get the assets reconciled. He said we would need to put a committee together with a custodian from each department and work together so we have an inventory of what we have so that going forward, we can track our assets. He said his budget is down and said that most of the decrease was in training and travel.

Commissioner Becker said that if we look at what we're faced with from an expenditure and revenue projections for this coming year, we're about 1.9% off. He said that if we take the 1.9% out and fund it out of unassigned general fund, and we're roughly at 25% now, we're still above the 20% of our unassigned reserves so he said that we're still healthy in terms of our reserve balance. Mr. Bass said yes, there are options and said that the GFOA recommends that we have about 2 months which is about 17% but cautioned that we live in an area that has a lot of storms so they recommend that number be closer to 25%. He said that if we deplete this down and a storm comes and we need to pull another \$2 or 3 million out of there, we may not get that \$2 or \$3 million back for 4 or 5 years.

Mayor Nelson warned that if we're still down 25%, not so much this year's budget but the following year's budget for FY21-22, we could theoretically be down some percentage of sales tax and there may even be a decrease in ad-velorem as with commercial properties, retail strips and office buildings.

He said that these numbers may be flat or even decrease as the sales tax may not be back to where it should be and his concern is that if we deplete the reserves down to 18 or 19% and have another year that's even worse which could happen.

Commissioner Becker asked what the recommendation will be and whether this will be a combination approach of trimming the budget and reserves to which Mr. Bass said it'll be more of a combination approach with a portion coming from reserves and another portion from the millage rate. He said we'll provide the best possible information we have in order to make the best decisions possible.

ADJOURNMENT - There being no further business the meeting adjourned at 6:02 p.m.

Bryan Nelson, Mayor

ATTEST;

Susan M. Bone, Deputy City Clerk