

CITY OF APOPKA

Minutes of a City Council Budget Workshop held on July 10, 2017, at 3:00 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
Pam Barclay, Finance Director

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

CALL TO ORDER/PLEDGE OF ALLEGIANCE - Mayor Kilsheimer called the Budget Workshop to order at 3:00 p.m. and led in the Pledge of Allegiance.

BUSINESS

Mayor Kilsheimer advised this was the first budget workshop for Fiscal Year 2018. He said it was important for the operation of the city that all of the elected officials have a detailed knowledge of the budget to be able to answer questions within the community.

Pam Barclay, Finance Director, said we would be using a format that summarizes what each department is responsible for and their accomplishments through this year, goals, and initiatives for the upcoming year. They will be addressing where their budget is compared to last year. She said this should streamline the process. There will be an opportunity to ask each department head or division head any specific questions. She advised the budget is \$121 million, which is approximately \$17 million over last year's budget. The General Fund is down from last year at \$44.5 million, last year being \$49 million. The initial submissions by department heads for the budget was over \$60 million for the General Fund. This budget has been trimmed down and Council is being presented a balanced budget. She affirmed the revenues have not increased substantially from last year. The millage rate was presented with maintaining the current millage. She advised that the proposed budget did eliminate all additional personnel requests and cut all capital with the exception of the construction of Fire Station 5.

Glenn Irby, City Administrator, said he has been putting budgets together like this for 20 years. He stated he noticed this year the budgets were not extravagant. He said we have machinery and vehicles that are wearing out because they are so old. Some police cars have over 100,000 miles. He stated this was the first time in his career that he faced all of his directors and had to tell them he could not give them any of these requests. He stated this was not sustainable and cannot continue the way it is.

In response to Mayor Kilsheimer, Ms. Barclay advised the reserves was 21.6%, the same as last year.

Mayor Kilsheimer said we have an austerity budget for the year. We will complete the projects we are committed to, such as Fire Station 5 with staffing and equipment. He stated they would hear Chief Carnesale ask for a Fire Station 6 and Florida Hospital is providing the basic infrastructure to host a Fire Station 6, but this balanced budget cannot pay for that.

Commissioner Becker said with that in mind it is good to ask, what if? If we do need to look at reserves, if we need to look at debt service, and what makes sense. He stated the generally accepted practice for reserves is two months of expense or 16.7% of expenditures. He said when we look at that, we are truly saying operating expenditures. He pointed out if you take out the \$742,000 capital outlay, you are closer to 23% reserved ratio. He stated if we take reserves down to 19.7% that frees up \$1.3 million that could potentially be used for this budget. He affirmed that he was not saying we should do that but the potential is there. He inquired if the revenues of the Marshall Lake property was reflected in these numbers.

Mr. Irby advised it was not, as the city does not have those funds at this time. Ms. Barclay also reminded it had been determined those funds were not being added to the General Fund.

Commissioner Bankson said he recently completed the Advanced Institute for Elected Municipal Officials (IEMO) class and said what they taught in this class supports having a higher reserve. He stated he was going to put this information together to provide to Council. He said once the City has that buffer, he will feel safe. If it goes down, there is a window to build it back up.

Commissioner Velazquez pointed out that Apopka has been behind by not having the impact fees in the past that were recently approved.

Ms. Barclay pointed out that reserves and cash flow are two different things. She advised there was over \$50 million in the bank for cash flow. However, with the reserves, if you are looking at only the amount that can be spent for certain items, that is where we are constrained to the \$9 million.

In response to Commissioner Dean inquiring why the attorney fees were almost double this year, Mr. Irby advised the legal fees actually went down overall between this current fiscal year and next fiscal year. The reason why the City Attorney fees in particular went up is because of all the items going through Community Development at this time. He advised there is revenue to offset that from the pass through collection from developers.

MAYOR'S OFFICE

The Mayor's office budget was reviewed and discussed.

Commissioner Bankson inquired as to the reason for the bottom line being affected, to which Ms. Barclay explained the OPEB (Other Post Employment Benefit) is included in the bottom line, but

it is not something that is in the budget. This is foreseeing a liability the City will eventually have to pay when employees retire.

In response to Mayor Kilsheimer inquiring if line item 1200 reflects the pensions we are paying to Commissioner Arrowsmith and Commissioner Williams, Ms. Barclay responded in the affirmative, and added this was included in several departments.

Mayor Kilsheimer requested this number be reported on a separate line.

Discussion ensued regarding the growth of the budget in terms of the growth of the city. Mayor Kilsheimer pointed out the dramatic increase of the budget relates to the wastewater plant that comes on board in September. He said under the Water Utility Fund, there have been twenty employees added due to going to a 24 hour operation at the wastewater plant. The General Fund budget has a 9.7% decrease.

Ms. Barclay said the Mayor's office shows an overall decrease of 1% and operating decreased 11%.

LEGAL SERVICES

The Legal Services budget was reviewed and discussed. Discussion was held regarding specialized legal representation.

ADMINISTRATIVE SERVICES

Administrative Services budget was reviewed and discussed.

Mr. Irby advised there was an overall decrease for the department of 46.2%. Operating expenses decreased by 78%. He pointed out the Community Outreach has been shifted. It previously included Event, PIO, and Grants. Administration has absorbed Grants and PIO. Events has been moved to Recreation. Other adjustments for FY 2018 shows a decrease of \$42,000 in lobbyist fees due to going with Gray Robinson. There is an increase for Apopka Youth Works of \$10,000.

CITY CLERK

The City Clerk's proposed budget was reviewed and discussed. Ms. Goff stated the Lien Searches have increased and this office coordinates approximately 450 to 500 searches per quarter at \$35 per search. It was decided to research what other cities charge in lien search fees and determine if we need to amend our fee. Ms. Goff pointed out the increase in the City Clerk's budget 3400 line is due to the election in 2018. We have budgeted additional funds for two polling places. The Supervisor of Elections has asked the Clerks to inquire if the municipalities wanted to pay for absentee ballot return postage. It was determined that Apopka would continue to have the voter pay the returned postage. Ms. Goff said at the last Council meeting it was suggested that we advertise Bids in multiple newspapers. If we are going to have additional legal advertising, line item 4902 will need to be increased. She advised we currently advertise bids in the Orlando Sentinel which is the regional newspaper for Central Florida. Bids are also put on Demand Star and the City's website. The other option would be to leave as is and do a budget amendment if we do additional advertising.

Ms. Barclay recommended if this comes to fruition, that we do a budget amendment if additional funding is needed.

FINANCIAL SERVICES

Financial Services was reviewed and discussed.

Ms. Barclay said the Finance Services overall budget increased by 2%. Operating expense increased approximately 2%. She advised there is a new requirement for GASB 75 wherein we will be required to do an actuarial study for pensions. Increase in audit services of \$2,000, and Merchant Service fees increased \$3,000. Finance handles purchasing, all bids, payroll, accounts payable and the regular accounting. She oversees utility billing, but this is covered by the Utility 401 Funds budget. This past year they implemented the new financial system and the city successfully converted to a new bank. Both awards were received for the CAFR and the Budget last year. She has a goal to promote P-card usage this year.

In response to Commissioner Bankson, Ms. Barclay advised employee raises are merit based upon evaluations.

Mayor Kilsheimer advised there were a number of employees that have maxed out for their salary scale and are no longer eligible to receive raises. Ms. Thornton advised the last salary survey was approximately 15 years ago. At the time cost of living increases were being given, the scale would be adjusted. The scale has not been adjusted for approximately 5 years. Ms. Thornton advised there is an RFP posted for a salary survey in the current year budget.

HUMAN RESOURCES

The Human Resources budget was reviewed and discussed.

Ms. Thornton expressed concern in making sure they can get all the driver's license checks done that supports our ISO rating and it also supports in the liability insurance. She requested an additional \$5,000 in line item 3400 for this purpose. She advised they have a new copier and the badge/access card system in their office. IT had been carrying the copier and badge/access card upkeep. This would be an additional \$5,000 in the 5200 account. She discussed the deductibles and concern of going over the \$700,000 allowed, stating she had requested \$900,000. This is for liability, and workers comp deductibles.

Mayor Kilsheimer read into the record from the summary sheet regarding Human Resources/Risk Management being understaffed. The general ratio of employees to human resource support is 100/1 and they are carrying 219.5/1, not counting part-time, seasonal, or standby employees. One person is dedicated to all risk processes, which includes supporting 439 employees. They have requested two clerks, one for each area of responsibility. He stated given the current revenue, this is something deemed the city cannot afford. He declared this was a dramatic need for this organization.

Ms. Thornton said this has become a very hard burden to bear and it is only going to increase in their office. She stated the request for two clerks was relatively minor.

The consensus was to add \$200,000 for claims deductibles, \$5,000 for copier and badge access, and \$5,000 for driver license checks, as well as two clerk positions at \$43,875 each (salary and benefits).

Ms. Barclay said she would start a list on items being added back in the budget and Council can then decide if they are going to pull from reserves, increase the millage rate, or go out for a loan.

Council recessed at 4:42 p.m. and reconvened at 4:50 p.m.

INFORMATION TECHNOLOGY

Information Technology was reviewed and discussed.

Mr. Hippler said their overall operating expenses are up only 4% from last year. He advised there will be some cost savings from software we are no longer using. The Fire-cad is taking over a mapping software which was a large financial impact each year. Some of the costs are attributed to software support from Edmunds. Capital expenditures are down 11% from last year on the requests, but with the adjustments to balance, they lost everything in that particular line. He said some of the goals they were looking forward to was the Council Chamber audio/visual update. The existing system was initially purchased in 2005. There was a projector upgrade in 2012. Part of this request was for streaming so to have the ability to place meetings on Apopka Television as well as the website.

Ms. Barclay pointed out that there has always been a position for a supervisor in Information Technology. This position was failed to be included for the current fiscal year budget. The position was never filled when Mr. Hippler was promoted to IT Director. The number of positions should be 7 so to include this position.

Mr. Hippler said the Clerk's office was using one of the last two IMS applications for the cemetery. Building permits are set to go live in August or September. The cemetery software through CIMS we looked at last year was coming in around \$15,000 to \$18,000 for the initial implementation. He said that would be one of the most needed software pieces. He also spoke of the switches throughout, stating some are ten plus years, the most critical being communication, city hall annex, and administration at recreation.

Commissioner Becker inquired if we are able to get completely off of IMS, would the \$13,000 in IMS potentially go away and be replaced by \$18,000 for the new cemetery system, which would be a net impact of \$5,000.

Mr. Hippler responded in the affirmative.

Discussion ensued regarding the possibility of having the entire city under one cellular company.

Discussion ensued regarding the two databases utilized: Contentverse and Laserfiche. Mr. Hippler advised Contentverse has zero value with regards to the ability to search. The option of Laserfiche has the ability to search documents. We would need to purchase additional licenses

if converting over to Laserfiche.

Discussion was held regarding Council Chambers Audio/Video Equipment for the purpose of streaming. It was pointed out the presentations on the screen are hard to see at times. It was suggested that the audio/visual be done in phases.

It was the consensus to add in the \$18,000 for Cemetery Software, potentially getting off IMS. It was the consensus to take the approach of phasing in for the Council Chambers Audio/Video Equipment.

ADJOURNMENT - There being no further discussion, the workshop adjourned at 5:49 p.m.

Joseph E. Kilsheimer, Mayor

ATTEST;

Linda F. Goff, City Clerk