

City Commission Budget Workshop
Meeting Minutes
July 10, 2018
(APPROVED)

7/10/2018 - Minutes

1. ROLL CALL

Commissioners Present: Mayor Eugene Fultz, Terrye Howell, Curtis Gibson, Flora "Tonya" Stewart, Robin Gibson

Staff Present: Kenneth Fields, City Manager; Jennifer Nanek, City Clerk

Mayor Fultz called the meeting to order at 6:00 p.m.

2. DISCUSSION ITEMS

2.1. Draft Budget FY 2018-2019

Kenneth Fields, City Manager, reviewed the budget timetable. Next week the Commission will be asked to approve a Not-to-Exceed Millage rate at the Commission meeting. There will be another budget workshop on August 14th. In September we will approve the budget and millage rate. The meeting dates in September are Wednesday September 5th & September 19th.

Mr. Fields then gave a slide show presentation on draft budget. This budget currently includes all the requests from Department Heads. The budget reflects priorities set by the Commission. It is currently out of balance by \$1.7 million with the General Fund out of balance by \$1.4 million. Mr. Fields recommends keeping the millage rate at 7.0438 mills and not going to the roll back rate to provide a cushion if the assessment passes in November. This will keep our reserves where it should be.

There is a net increase of 4 positions in the draft budget. Four of them are in Planning and Development which is a good sign that business is picking up, 1 at the Airport and we eliminate one temporary position at Fire Department to cover someone who was retiring. State shared revenues are not final. They may increase but the current draft reflects current revenues. Personnel costs include a 2% COLA increase and merit based adjustments based on employee performance.

Liability and health insurance costs may increase a bit next year. These numbers will come in in August.

Capital costs include the purchase and renovation of the YMCA which is estimated at \$1.million. This is the largest new item. We can easily borrow the funds to pay for this purchase. He recommends we do this and spread the cost over several years.

The Transportation Fund is currently out of balance by \$80,000 which Mr. Fields said we can close. Fuel tax revenues aren't climbing much. The Airport fund is out of balance by \$196,000 but this is resolvable.. The CRA, Debt Service, Capital Projects, Cemetery, and Utilities Fund are pretty much all in balance.

Mr. Fields said that we could possibly implement a Stormwater Assessment. This could cover some things in the other funds. Lake Wales is the only City without a stormwater assessment. The assessment could be included on Utility Bill instead of tax bill. A preliminary estimate is \$5 per person. This is a city wide average and would generate \$600,000 in revenues and address flooding issues in

various neighborhoods. He will have more information on this at a future meeting.

Mr. Fields said that a list of possible capital projects to be deferred will be presented at the next workshop on August 14th.

Mr. Fields said that our overall financial situation is sound and revenues continue to grow at a modest rate. Our financial outlook for the future is good. Our reserves are fully funded and we have a reasonable level of debt. The additional homestead exemption would slow our growth but wouldn't hurt us too bad.

Mr. Fields noted that many capital projects are Hurricane Irma repairs.

Deputy Mayor Robin Gibson said he agrees with possibly borrowing money to pay for the YMCA. We could rely on YMCA expertise on expanding Recreation City wide. He would like us to have a strong full fledged recreation program. Mr. Fields said that we are at the beginning of the negotiating process. We can come back with a budget amendment for any changes needed.

Deputy Mayor Robin Gibson asked about the North Library if it was in the budget. Dorothy Ecklund, Finance Director, said that funds for the design are in the budget and will be funded by impact fees. We don't know the cost for construction yet. When we are ready we can decide how its paid for. Deputy Mayor Robin Gibson said that some of the ad valorem money is dedicated to the library and more will be coming in. Ms. Ecklund confirmed this. Commissioner Curtis Gibson said he wanted to emphasize that impact fees will not cover the cost to construct this new facility and that while he agrees on the need for the library he is in favor of pushing this back. Mr. Fields discussed the different components of this facility and explained their new residential developments moving in.

Commissioner Howell said that the purchase of the YMCA is a good thing. That will be good for Lake Wales. She asked about the \$500,000 for the Kirkland gym. Does that include bleachers? Ms. Allen said yes. Howell: Are they larger? for tournaments? Ms. Allen said yes and they can be moved if needed.

Commissioner Howell asked about funds for affordable housing. Mr. Fields said that we are working on a plan with Northwest community leaders. Mr. Fields said the first steps are acquiring property and possible site work. Staff will come back to the CRA board with a plan later in the year. Commissioner Stewart asked about funding in the budget. Mr. Fields explained that is money in the reserves and can be allocated when final decisions are made.

Commissioner Howell asked about the B Street Community Center if \$30,000 was in the budget. Mr. Fields said yes that funding was continued into next year's budget.

Commissioner Howell asked about the C Street Sewer project. Mr. Fields said that the project is funded by SRF loans. The 3rd phase is just getting underway. Sarah Kirkland, Utilities Director, said that the project will begin in September or October.

Commissioner Stewart asked about lighting on Chalet Suzanne Rd. Mr. Fields said that is in the budget. Commissioner Howell would like lights on Spook Hill too. Mr. Fields said we will look into it. Janice Snell, member of the Housing Authority, will ask about this issue at the next meeting.

Commissioner Curtis Gibson asked about the YMCA, if the YMCA would still run the programs. James Slaton, Assistant City Manager said that's the idea but negotiations are still under way. Commissioner Howell said, we might need new staff at the YMCA to make sure they are following city directives as that has not happened in the past. Mayor Fultz said that our current Recreation Coordinator, Stephanie Edwards is a former employee at the YMCA. She will ensure that all city directives are followed. Commissioner Howell said that she wanted to be sure that everyone felt welcome at the YMCA.

Commissioner Curtis Gibson asked about the gazebo at Lake Wailes. Mr. Slaton said that is a carry over from the past but we will not be doing anything with it until that part of the master plan is complete.

Mr. Fields expressed concerns about tax increases from Polk County Board of County Commissioners that may be used to fund fire services for County residents. This would mean that City residents will be double taxed for services they don't use. This issue was discussed. Mayor Fultz reported on the advocacy group recently formed on the East side of the County to address these concerns.

Mayor Fultz asked about sidewalks on Chalet Suzanne Rd. Mr. Fields said we have to discuss that with the county. There have been pedestrian fatalities along that road that need to be addressed.

Commissioner Curtis Gibson asked about the median on Thompson Nursery Road if that will be addressed soon. Commissioner Stewart said that a Lake Ashton representative commented that it will be fixed if its less than \$100,000. Kathy Bangle, Planning Director, said that the intersection will be addressed after the Aldi is complete. She has not heard anything about the dollar amount. The resolution of this issue may take some time.

Deputy Mayor Robin Gibson said that he would like to pass a resolution against the Homestead Exemption Amendment on the ballot in November. He would like to follow the example set by the Florida League of Cities. Mayor Fultz said that the Florida League of Cities conference is coming up and they will vote on their resolution. We can then follow their example.

Deputy Mayor Robin Gibson asked about the storm water assessment and what the next steps were. Mr. Fields said it'll come back with a full report at the next workshop on August 14th.

Deputy Mayor Robin Gibson said that the money in the CRA budget for Welcome signs should be for 'Welcome to Downtown' signs and not 'Welcome to Lake Wales' signs. He said he will continue to be a guardian over CRA funds.

3. COMMUNICATIONS AND PETITIONS

Janice Snell, Green & Gold Foundation or B Street Community Center. Gave a report on how they used City funds. Included a chart on activities over the past year. She thanked the commission for their support.

Clem Johnson, President of the African-American Chamber of Commerce of Polk County, wants to create a location in Lake Wales. They are a county wide organization. He asked for a possible location.

The commission meeting was adjourned 7:11 P.M.

Mayor/Deputy Mayor

ATTEST:

City Clerk/Deputy City Clerk