APPROVED: 3/15/2018

City of Eustis, Florida

City Hall
10 North Grove Street
Post Office Drawer 68
Eustis, FL 32727-0068

Meeting Minutes – Final*
City Commission Workshop

Thursday, February 22, 2018 | **6:00 PM** | **City Hall**

CALL TO ORDER: Mayor Morin - 6:00 p.m.

ACKNOWLEDGEMENT OF QUORUM AND PROPER NOTICE

Present: 3 - Linda Bob; Marie Aliberti; and Robert Morin

Absent: 2 - Anthony Sabatini; and Carla Gnann-Thompson

I. Workshop Item

18-0061 Budget Planning Workshop for Fiscal Year 2018-19

Mayor Morin announced the purpose of the workshop was to see if there are any priorities that the Commission would like to see added to the next year's budget. He cited a number of programs that the Commission had previously discussed.

Commissioner Bob commented on how the budgets have been prepared in the past and the presentations that were provided by the department heads.

Vice Mayor Aliberti agreed on the need to have a better view of where the funds are expended.

Ron Neibert, City Manager, explained that staff prepares the budget based on the goals and objectives set by the Commission. He explained how the budget is developed following submittal of departmental requests. He then stated that Assistant Finance Director Rob Visser would provide an overview of the current budget.

Commissioner Bob noted that when she came on the Commission she went around and visited all of the departments to learn about them and their needs. She recommended that Commissioners do that during the budget preparation process.

Rob Visser, Deputy Finance Director, reviewed the current year budget by department and fund. He presented an overview of the various revenue funds, explained how each fund legally may be used and where the revenues come from. He then provided a budget summary for the FY17-18 General Fund by department including an explanation of what each department is responsible for. He then reviewed the FY17-18 Water and Sewer Funds, Street Improvement Fund, Stormwater Fund, and CRA Fund with discussion about the limited ability to transfer funds from the Water/Sewer Funds to the General Fund. He highlighted the funding for the FY18-22 Capital Improvement Plan and a breakdown of the planned CIP projects. He reported on the anticipated cost increases for the FY18-19 budget cycle including the following: 1) 2% cost of living salary adjustment; 2) 5% health insurance increase; 3) To be determined percentage of Police and Fire Pensions; and 4) 10% general liability/workers compensation and property insurance increase.

Mr. Neibert explained all but the pension fund increases would be spread equally across all departments.

II. Commission Discussion

The Commission questioned the statement that the pay ranges had not been adjusted in ten years stating that the City has provided some adjustments.

Bill Howe, Human Resources Director, explained that in 2015 the Commission directed staff to work on getting the City's salaries within the top 25% compared to other cities. He stated that employees have received cost of living increases but the pay ranges have not been adjusted. He explained that the City worked on the internal equity first due to the number of existing employees that were not being paid as much as new hires. He noted that in the past few years the City's raises have not kept paced with the other local cities. He explained that in ten years the pay ranges haven't been increased and the starting pays have not been changed.

The Commission discussed various salary and related revenue issues including the following: 1) The number of employees that qualify for assistance services; 2) The recent internal equity study and resulting salary adjustments; 3) The difficulty in hiring new employees willing to work for the City's salary levels; 4) Hiring contract employees for building inspection services; 5) The City cemetery and related personnel costs; 6) The possibility of selling the cemetery or increasing cemetery fees; 7) Staff preparing a report to compare area private and public cemetery fees; 8) How much less the City pays in comparison to other cities; 9) Staff preparing the external pay study; 10) Police Department salaries in comparison with other cities; 11) The effect on the City from the Keating lawsuit and the City's resulting reputation for being anti-growth; 12) The possibility of increasing the cost of living increases and raising the millage rate to fund the increases; 13) Other ways of increasing revenues to fund raises including the addition of a fire assessment fee; and 14) There being no way to raise funds through the General Fund to pay for raises except by cutting personnel. It was noted that there was no way to cut personnel without reducing services.

The Commission requested that a report be compiled showing possible salary increase levels and what level millage rate would be required to fund those levels. It was noted that there would be an additional homestead exemption on the November ballot and the City would have to address how to cover the resulting loss in revenue.

The Commission then asked about the Street Improvement Fund, commented on the state of the streets within the City and the cost of the Lakeview Street project with Mr. Neibert explaining that the Lakeview Street project includes water and sewer improvements not just street.

Rick Gierok, Public Works Director, explained that the Street Improvement Fund does not pay for the street paving, that is paid for through the Sales Tax Fund. He explained that the City in the past had a company come in and do a Pavement Condition Index (PCI) to assess all of the City's roads and prioritize them. He indicated that the City has made substantive progress on that list in the past five years. He noted the City purchased its own paver so a lot is being done in-house at a reduced cost. He explained staff is updating its PCI report and could have a report in the next few weeks. He commented on the amounts funded for improvements in the past five years and explained one of the problems with the Lakeview project is that the under-road is poured concrete and it is costing a lot to get that removed. He indicated that, unless the City does a bond, they will not be able to get everything done at one time. He recommended giving him time to update the PCI - Pavement Condition Index - and then he could provide a report on the City's street condition.

The Commission discussed providing a lot of publicity on what the City intends to accomplish in the next budget year and holding neighborhood forums to provide information about what streets would be done and when.

Mr. Gierok explained that having the PCI eliminates the arguments and shows how the City determines which streets to do and when.

Mr. Neibert commented on the possibility of issuing a bond to do the roads.

Mr. Gierok noted the majority of the Lakeview project is being funded through Water/Sewer Fund due to it being primarily a utility project. He explained that the Street Improvement Fund is used for street lighting, right-of-way maintenance and potholes.

Mr. Gierok then reported on the progress with updating the streetlights to LED. He indicated it was initially held up by the hurricane. He stated that all of the new lights have been installed and they are now in the process of changing out the sodium lights with LED. He stated that the new completion date with Duke Energy is April 2nd.

Mayor Morin requested information about the Magnolia/Bay intersection so he can approach the MPO to get assistance to abate the traffic problems through that area.

Commissioner Bob asked Chief Calhoun about crime levels in City. She requested reports to determine what is going on and what the City can do to address those issues.

Mayor Morin stated his desire to see a rehab program for neighborhoods. He asked about revenues with Mr. Visser explaining that staff is still working on compiling those figures. He indicated they can probably expect a 1.5% overall increase.

Mr. Neibert stated Gas Tax revenues may increase if the County referendum passes. He explained the previous change in the formula by the County which significantly reduced funding to Eustis and Leesburg. He stated the City should see some increase if the referendum passes. He added that another issue with the ISBA was the other cities are being allowed to grow and getting more miles of roads which allows them to outpace Eustis even more.

Mayor Morin asked about the anticipated increase in General Fund revenues for next year.

Mr. Visser explained there are different sales tax revenues. He explained that the gas tax has been declining probably due to electric vehicles. He stated there would be an automatic 1.7% increase in Water and Sewer. He added that staff is anticipating an overall 2% growth in revenues.

Mr. Neibert confirmed that the ad valorem increase is expected to be about 3%.

Mr. Visser stated staff would have better revenue estimates for the workshop in early April.

Mayor Morin commented on recreation fees and cited the possibility of the City paying for scholarships for children at the pool and splash pad.

Mr. Neibert responded that he would have the Parks & Recreation Director send out a report on recreation fees and program expenses. He stated the City has a scholarship program and noted a recent meeting with an organization that provides scholarship money for swim lessons. He explained how the City raises funds for scholarships through fund raisers.

Joe LaPolla, Parks & Recreation Director, reported there is approximately $6,000 to $8,000 currently in the scholarship fund.

Discussion was held regarding the cost of using the pool and the possibility of expanding the scholarship program to cover pool season passes.

Commissioner Bob asked to hear about how the scholarship program is administered with Mr. Neibert explaining that if a family qualifies then every child in the family receives a scholarship.

Mr. LaPolla explained that all of the city recreation departments get together to make sure their scholarship programs are similar.

Mr. Neibert then reported that the Library Director has eliminated rental fees for DVD's. He explained that giving up a small amount of rental fees enabled the City to get $10,000 from the state library.

Mr. LaPolla reported on the recent 5K run to help raise funds for the scholarship program. He stated they have provided over $10,000 in scholarships over the life of the program. He added that 15 to 20% of the children in the summer program were on scholarship.

III. Public Input - None

IV. Commission Direction

No further direction was provided at that time.

V. Adjournment - 7:37 p.m.

Mary C. Montez

MARY C. MONTEZ
City Clerk

Robert R. Morin, Jr.

ROBERT R. MORIN, JR.
Mayor/Commissioner

*These minutes reflect the actions taken and portions of the discussion during the meeting. To review the entire discussion concerning any agenda item, go to www.eustis.org and click on the video for the meeting in question. A DVD of the entire meeting or CD of the entire audio recording or verbatim transcript of the meeting can be obtained from the office of the City Clerk for a fee.