

City of Dunnellon
Special City Council Budget Workshop
Zoom

<https://dunnellon.zoom.us/j/89628106004?pwd=aGhPSEMycXNKVHk3ZlhmajhSTzk1QT09>

Webinar ID: 896 2810 6004

Date: July 20, 2022

Time: 3:00 p.m.

Place: City Hall

20750 River Dr., Dunnellon, FL 34431

Public Comment

Anyone who wished to provide public comment was able to do so by participating in the City Council meeting in person, or via the Zoom "AUDIO ONLY" platform and/or telephone, by speaking during public comment portions of the meeting when recognized or by submitting written comments, evidence and/or written testimony in advance of the meeting via email to the City Clerk at modom@dunnellon.org

Members of the public who wished to participate were encouraged to register in advance by Noon on Wednesday, July 20, 2022

Call to Order and Pledge of Allegiance:

Mayor White called the meeting to order at approximately 3:07 p.m. and led the Council in the Pledge of Allegiance. He asked if any invitee or volunteer was present to open with prayer. Councilwoman Williams provided the invocation.

Roll Call

Bill White, Mayor, Seat 1

Valerie Hanchar, Vice-Mayor, Seat 4

Louise Kenny, Councilwoman, Seat 2 – Left at 5:45 p.m.

Anita Williams, Councilwoman, Seat 3

Jan Cabbage, Councilwoman, Seat 5

Staff Present

Mandy Odom, City Clerk

Jan Smith, Finance Officer

Troy Slattery, Public Works Manager

Georgina Cid, Community Development Manager

Julie Danowski, Records Clerk

Lt. Yox, Police Department

Legal Counsel

Andrew Hand, Shepard, Smith, Kohlmyer & Hand, P.A. - Absent

Proof of Publication

Mrs. Odom announced for the record the agenda for this meeting was posted on the City's website and City Hall bulletin board on Wednesday, July 13, 2022.

Mayor White welcomed everyone and covered public and Council meeting etiquette.

Mayor White invited Public Comments and Council consented.
There were none.

Agenda Item No. 1 – FY 2022-2023 Proposed Budgets

Mrs. Smith stated the revenue and expenses for the general fund has changed from what was discussed in the last meeting and we do have a balanced budget at 6.5 mills. She said on July 1st the property appraiser certified the City's taxable value and there is an 8.7% increase in citywide value. She said this equates to additional ad valorem proceeds of \$119,526. She added Dunnellon's CRA contribution will increase \$38,928 from FY21-22. She said the net effect to FY22-23 general fund budget, used to provide general services, is an increase of \$80,598.

Mrs. Smith read the following information from her Budget Summary and spreadsheets:

"New Items-Operations

- Part-time Police Officer - \$21,472
- New full-time Public Works Service Worker II - \$44,986. Elimination of seasonal mowing crew -\$8,440 and PT Service Worker -\$11,187 for a net increase of \$25,359
- Backflow devices for City Hall and Fire Dept. - \$5,000 (mandatory)
- Archiving for social media (Facebook and YouTube) -\$2,700
- Munis accounting database upgrade - \$12,000 (required)
- Minimum Wage Adjustment \$41,745

Other Notable Items

- Up to 3% performance based employee merit increase -\$19,199
- Sanitation increases of 4% for residential and commercial customers
 - Residential from \$17.15 to \$17.83 (\$0.68 per month)
 - Commercial from \$33.30 to \$34.64 ((\$1.34 per month)
- Estimated Capital Reserve Additions - \$77,794
 - Police Impact Fees - \$3,000
 - 5th Cent Gas Tax - \$58,009
 - General Fund Capital Replacement Reserve (Fund Balance Policy) - \$16,785

Pending additional Items that will have an impact +/- on proposed budget

- (a major piece of funding) State revenue estimate for Communications Service Tax (operating) currently estimated at 4% increase over FY21-22 and 1% Discretionary Sales Surtax (Capital)
- Insurances and worker's compensation amounts from provider"

Mrs. Smith stated, at this point, we have a \$20,000 surplus and depending on how things turn out we may have to make additional cuts. She then reviewed various lines of the Revenue Summary, comparing the prior year versus the current year and stated the revenue budget is \$4,778,386.

Mayor White asked if the budget includes money set aside for the Police building. Mrs. Smith replied those funds are part of the total budget, but they are in reserve and listed as both earmarked funds and available funds. Mayor White stated he is often asked what the City needs to operate. Mrs. Smith replied all the funds are needed to operate the City. Discussion followed between Mrs. Smith and Mayor White for clarity.

Councilwoman Cabbage asked what percent of the budget is payroll, with benefits included. Mrs. Smith replied she did not calculate that number but would come back to the next meeting with the information.

Mrs. Smith continued to General Fund Expenses and explained the increases and decreases on various line items. She explained the Council contingency, expenditures made from it last year and the available amount projected for this year. She stated the minimum wage increase has had an effect on every department. Vice-Mayor Hanchar asked for clarification on the budgeted sanitation funds since we do not manage the garbage collections. Mrs. Smith explained it is a pass-through and we will end up with a surplus in this area.

Mayor White asked clarifying questions regarding Police impact fees. Mrs. Smith stated the actual budget, without the building, would be the total less \$685,000. Mayor White asked what their budget was last year and what is it this year, eliminating all expenses for the Police building. Mrs. Smith responded and said the current operating expense without the Police building is \$890,000 and next year will be \$953,000. She explained the current operating expense, without any capital, is \$838,000 and next year will be \$903,000. She stated the main reason for the increase is personnel; a part-time officer for marine patrol and the minimum wage increase. Chief McQuaig, via Zoom, stated the part-time officer is hired to be used mostly for the river but could be used for something else if needed.

Mayor White asked why there was a decrease in funding for Parks and Recreation. Mr. Slattery explained the pavilions are scheduled to be completed before October 1st and due to this the funds would not be needed next year.

Mrs. Smith continued and spoke about the General Fund Capital Plan starting with the Police Department. She said the \$50,000 listed is to replace a high mileage vehicle. She stated she will be moving the funding for the new Police facility into its own reserve and she will present a Resolution for that at a future date. Mrs. Smith explained the two funding sources for the new Police facility and said Chief McQuaig has \$735,000 available in his budget for capital projects.

Further discussion followed between Mrs. Smith and Mayor White clarifying the capital for the Police facility.

Councilwoman Cabbage stated the Police received a grant three years ago for a car. Mrs. Smith pointed out we did not receive a grant for the last two years and staff will continue to research and apply, but the vehicles still need to be budgeted.

Councilwoman Kenny asked about grants for the Police station and suggested indicating on the applications we have \$700,000 to put toward it. Mrs. Smith replied if we can find a grant with the ability to match, it will definitely go on the application.

Mrs. Smith moved on to Roads and Streets, sharing information regarding ARPA Grants and what those funds can be used for. She said Mr. Slattery can do five intersections with these funds. She explained the stormwater asset mapping, both of which come from the one cent sales tax. Mr. Slattery commented the stormwater grant stalled because we are waiting for the LiDar results from the State. Mrs. Smith explained each of the line items and stated the bulk of the projects are grant funded with nothing coming from the gas tax reserve.

Mayor White asked what the total would be if the ARPA grant wasn't available. Mrs. Smith explained and discussion followed between Mrs. Smith and Mayor White regarding this funding. Mayor White stated he would like to see Mr. Slattery funded as strongly as possible for road repair and doesn't understand why money is being placed in reserve rather than being used. Mr. Slattery explained they just got their road assessment back and are only now ready to decide where the funds should go. He said he didn't identify any projects until this report was received and money in reserve will be used when he does identify a project. Mrs. Smith said there is \$862,844 in reserve for Mr. Slattery to use for roads or equipment. Councilwoman Cabbage stated as material costs are rising using even half of these funds would be a good idea.

There was further discussion regarding the fifth-cent gas tax and the one-cent sales tax, how quickly to use it, why and where the funds come from and where they are going. Mayor White summarized the fifth-cent gas tax goes to Mr. Slattery's department only and the one-cent sales tax can be shared between Roads and Streets and the Police Department.

Mayor White stated we need grant funds and this needs to be someone's primary focus. Mr. Slattery reminded Council of the time when the City was receiving \$500,000 a year from the County but has been reduced to only \$58,000 per year. Mrs. Smith and Mr. Slattery explained the history and reason the gas tax funding from the County decreased so significantly.

Mrs. Smith shared the financial information regarding the other departments including Building Repair & Maintenance, City Council, Building Inspector, Comprehensive Planning and Development, Clerks and Finance. She said the total capital is almost \$2 million.

Mrs. Smith stated page 46 itemizes the general fund revenue breakout by department. She explained the expenses and revenues for each department and the meaning of the deficits and how those funds are supported. She stated anything with a surplus helps to fund other areas. Discussion followed regarding City Beach deficit. Mrs. Smith stated City Beach has always run on a deficit and the Cemetery always breaks even.

Mayor White stated Code Enforcement is important and asked if there is an attempt to find a Code Enforcement Officer. Ms. Cid stated staff is putting together a job description for a part-time Code Enforcement Officer, however she would prefer a full time person. Mrs. Odom explained Council approved a part-time Code Enforcement Officer but it has been delayed while the job description is being created. She stated they are preparing to advertise for the position. Mayor White commented he now realizes how much more there is to this area and a part-time person may not be enough. Discussion followed regarding the need to find funding for a full-time position and the possibility for a budget amendment.

Mrs. Smith asked Council to turn to page 47 as she discussed the ad valorem millage rate, rollback, general fund and CRA. She explained what can be lost or gained depending upon the millage rate chosen. She said she completed her analysis with the property tax increase calculated at the 6.5 millage rate and it shows the total amount of money added to the budget based on property value.

Mayor White stated he is leaning toward cutting the millage rate to somewhere between the 6.5 mills and the rollback rate. Mrs. Smith replied to do this we would likely have to find \$50,000 to cut from the City's budget and it would affect personnel and supplies.

Mr. Slattery stated if he is looking at the chart right, we would have to trim \$40,000 out of the day to day operations. He asserted he doesn't want to do it, but he and Mrs. Smith could work together this week to figure out where the impact is going to hit. Mrs. Smith explained we are just beginning to see the light after many years of struggle and going backward now may only hurt us and keep us in the hole.

Vice-Mayor Hanchar recalled a time when Council was literally removing \$89.00 out of the budget for magazine subscriptions and telling employees they had to go without a pay raise. She said she understands times are difficult and \$16.00 a month might be hard for some people, but if we start reducing the millage we are depreciating the services we are providing.

Councilwoman Cabbage stated she has been watching Ocala and they are paying 9% on their taxable values. Mrs. Smith commented they also raised their millage rate. Councilwoman Cabbage said the composition of Dunnellon has changed greatly and there are more wealthy people here investing.

Councilwoman Kenny stated an advertised Workshop was needed.

Further discussion followed regarding the millage rate.

Mrs. Smith stated the final numbers will be available before the final budget meeting and the goal is to go into the September Public Hearings with numbers the Council can live with. Discussion followed regarding the budget workshop scheduled. Mrs. Odom suggested changing the budget workshops to August 8th at 3:00 p.m. and August 22nd at 3:00 p.m., cancelling the August 3rd and August 17th workshops.

Mrs. Smith reviewed the following TIFD (CRA) highlights:

Revenue: \$695,951 (Preliminary)
Expense: \$695,951 (Preliminary)

New Items

- Main Street program support -\$2,195
- E. Penn Ave, Cedar St & City Hall solar lighting -\$26,000
- 1/3 Allocation of permitting and code enforcement software -\$2,000

Other Notable Items

- Projects carried forward from FY2021-2022
 - Wayfinding Signage (Economic Development Strategy) \$265,000
 - Blue Run Park Restrooms-Increased City contribution from \$12,000 to \$175,000
 - City Hall digital sign -\$35,000
 -

Mrs. Smith explained the 5 year capital plan and went over each item line by line and said the total capital in CRA is \$549,240. She stated CRA can't spend every penny they have each year otherwise they will have to borrow from the general fund. She added there must be money left over at the end of every year to get them through to the beginning of the next year.

Agenda Item No. 2 – Council Comments

Vice-Mayor Hanchar asked Mrs. Smith if Council could come sit with her individually. Mrs. Smith replied they could. She also thanked all the department heads because she knows they try very hard not to overspend.

Councilwoman Williams thanked Mrs. Smith and stated she would like to pay lower taxes but just takes one day at a time. She said we can't please everyone and she would hate to see staff work load increased.

Councilwoman Cabbage stated the Police budget has doubled in four years and people are questioning what we are going to do with it. Mrs. Smith explained a reduction of the millage will only effect operating funds. She added Chief would have to speak to his own budget.

Mayor White stated he spoke with Attorney Hand about the Code of Conduct regarding elections and seated Councilmembers' participation during elections. He said he would like to amend the Resolution to allow public comments at the beginning of all Meetings and all Workshops.

Mayor White stated when he goes into the City he sees Mr. Slattery everywhere and he is the face of the City. He said Mr. Slattery has turned the perception of the residents around as much as anyone has and he works well beyond his 40 hours. Mayor White said he would like to reward Mr. Slattery for his efforts and discuss a \$3,000 raise in salary at the next Workshop. He asked Mrs. Odom to follow up with the County on the Blue Run Park restroom project.

Agenda Item No. 3 –Public Comments

Tim Inskeep, 12140 Maple St., stated he agrees with Mayor White regarding Mr. Slattery. He said he would like the minimum wage increase explained to him because it is a huge budget impact and he would like to be sure it is being implemented correctly. He stated once Code Enforcement issues are caught up a full-time Code Enforcement Officer shouldn't be needed. He added 6.5 mills is too high and in his opinion they should sit down with each department head and go through the budget line by line.

The meeting was adjourned at approximately 6:07 p.m.

Attest:

Penned signature of:
Amanda Odom, CMC
City Clerk

Penned signature of:
William P. White, Mayor