



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, July 5, 2018

5:30 PM

City Hall

CALL TO ORDER: Mayor Morin - 5:50 p.m.

ACKNOWLEDGEMENT OF QUORUM AND PROPER NOTICE

Present: 4 - Marie Aliberti; Carla Gnann-Thompson; Michael L. Holland; and Robert Morin

Absent: 1 - Linda Bob

I. Workshop Item

18-0155

Review of Proposed Budget for Fiscal Year 2018-2019

Rob Visser, Deputy Finance Director, provided an overview of the proposed budget for FY2018-19. He stated the significant factors affecting the development of the FY18-19 draft budget include: 1) Health and life insurance increase of 4.5% for an additional cost of \$66,440; 2) COLA adjustment of 5% for an additional cost of \$456,103 in the General Fund and \$627,827 citywide; 3) COLA costs are 100% covered by the strong gains in the taxable value along with an increase in the transfer from the Utility Fund; 4) GL/workers compensation/property insurance increase of 10% for an additional cost of \$51,912 in the General Fund and \$107,203 citywide; 5) Reduction of \$360,000 in the General Fund Debt Service due to the retirement of the Series 2004 bond debt; 6) Reduction in the Fire Pension from 48.7% to 39.7% for a decrease of \$117,560; and 7) Slight reduction in the Police Pension from 47.21% to 46.66% for a decrease of \$11,160. He stated the total budget figures citywide as follows: 1) Beginning Fund Balance - \$53,159,024; 2) Revenues - \$37,856,900; 3) Expenditures - \$38,228,650; 4) Less Reserves - \$41,396,012; and 5) Ending Fund Balance - \$11,391,262. He provided a breakdown of total City revenues by source and expenditures by fund and then a breakdown of the General Fund revenues and expenditures by department.

Tom Carrino, Economic Development Director, provided an overview of plans for economic development including a new branding program for the City. He also cited the gateway matching grant program and demolition assistance programs for code enforcement.

Mayor Morin expressed support for having a housing rehabilitation program with Mr. Neibert indicating that is not included in the draft budget.

Erin Bailey reported on the marketing and event plans for FY18-19. She cited the planned Gospel Festival for October in partnership with local churches and an Hispanic Festival in the spring. She stated that there is tourism marketing planned that will be targeted toward minority demographics and indicated there are grants available for that purpose. She stated staff would be meeting with Lake County Tourism to discuss

some of their grants. She reported staff is working on a summer concert series for 2019 at the bandshell and explained there is a foundation that will match up to \$40,000 for a summer concert series.

Mr. Neibert indicated there are plans for more third party funding for some of the programming.

Mr. Visser provided an overview of the Finance Department, City Attorney, Development Services and Human Resources budgets.

Bill Howe, Human Resources Director, explained the operating costs for the Human Resources department.

Mr. Visser reviewed the Police Department budget with Police Chief Gary Calhoun explaining some of the capital costs including the installation of printers in the patrol cars, purchase of active shooter kits, and the purchase of an additional drug K9 primarily from forfeiture funds. He commented on the difficulty in hiring additional police officers noting there are currently three openings and only two officers that successfully completed training. He cited the need to address the salary discrepancy between the City and other agencies.

Discussion was held regarding whether or not salaries were the primary factor in the loss of employees.

Mr. Neibert stated that the proposed 5% COLA increase in the budget is part of the effort to stem the loss in employees with Mr. Howe adding there are some cities and agencies that the City will never match in salary but it can't remain one of the lowest in Lake County and that is where the City is.

Mr. Visser reviewed the Fire Department budget with Fire Chief Mike Swanson further commenting on the difficulties in having their employees recruited away. He reviewed the increase in incident calls, and discussed the planned AutoCAD equipment. He commented on the improvements in the fire inspection program and reported that the new ladder truck should be delivered in February. He commented on the increase in salary costs due to the number of paramedics now on staff.

Mr. Visser then reviewed the Public Works Department and Library budgets.

Ann Ivey, Library Director, explained the majority of the capital expenses pertain to the computers for public use. She cited staff's efforts to provide additional adult programming.

Mr. Visser reviewed the Parks & Recreation budget with Joe LaPolla, Parks and Recreation Director, highlighting some increases in the four division budgets including funding for hurricane supplies, roof repairs for the bandshell, air conditioning for the bandshell dressing rooms, a new ice machine for the American Legion building, and floor maintenance for the community building. He cited other budgeted items including the following: 1) upgrade to the audio system for the community building; 2) floor maintenance in the Carver Park building; 3) upgrade to the electrical system at Carver Park field; and 4) replacement of the department copier.

Mr. Visser reviewed the non departmental expenditures and the public utilities, water, wastewater, street improvement, stormwater and CRA budgets. He then reviewed the recurring operating revenues and expenditures by fund and the Capital Improvement

Plan. He stated the proposed millage rate used in developing the budget is 7.5810 and has not been increased in five years. He compared the current millage rate of 7.5810 with the roll back rate of 7.1350. He provided a review of the impact of the proposed millage rate on a home valued at \$150,000 and stated that Eustis continues to be the leanest city in Lake County based on a comparison of the general fund budgets versus estimated populations and cost per resident.

Mr. Visser then provided a comparison of basic annual household costs, based on a home valued at \$150,000, between Eustis, Tavares and Mount Dora. He stated the next steps include the setting of the millage rate and hearing dates at the July 19th meeting and the formal budget hearing dates on September 5th and 19th.

Mr. Neibert stated the major issue for discussion is the proposed 5% COLA increase. He explained the City provided a 2% increase last year when other cities were giving up to 4%. He stated the other area cities are proposing 3 to 5% raises. He stated staff is also recommending that the salary ranges be increased as well.

II. Commission Discussion

Mayor Morin expressed concern regarding the budget not including changes to the recreation department and inclusion of a housing rehabilitation program. He expressed opposition to the 5% salary increase and questioned the presentation of the cost of living.

Mr. Neibert explained the purpose of the comparison stating that the City's image is that it costs more to live in Eustis because their millage rate is higher; however, that is not true. He stated the overall cost of living in Eustis is comparable to the other cities in Lake County.

Vice Mayor Aliberti commented on the differences between the cities noting that the other cities have sources of revenue that Eustis does not have such as garbage collection and electricity.

Mr. Neibert then stated that a significant housing rehabilitation program would cost the City over \$1,000,000 per year to do approximately 40 houses per year. He cited previous discussion where staff previously suggested the possibility of matching CRA funds with a CDBG grant in the next fiscal year.

Mayor Morin expressed disappointment that the budget does not include utilizing some of the increased property valuation to do something for the neighborhoods. He expressed support for utilizing the increased valuation to make improvements to the City housing market.

Commission Gnann-Thompson expressed support for the 5% salary increase. She expressed disagreement with some of the Mayor's comments and emphasized the need to look at the City as a whole. She stated the employees deserve the 5% increase noting they went a long time with nothing. She commented on how the City in the past reduced the number of recreation programs in order to put more funding into building maintenance.

Mr. Visser reported that the CIP does include in the FY2019-2020 fiscal year \$250,000 seed money for a housing rehab program.

Commissioner Holland expressed support for the 5% salary increase. He cited the

need to keep good, trained employees or the City will lose the best of our best. He stated the City is serving as a training ground for police and fire and then they move on.

Vice Mayor Aliberti expressed support for the 5% salary increase. She noted in the past the City never replaced employees when they left and cited the number of employees that took on additional responsibilities. She stated the additional homestead exemption will pass and City will have to be prepared for that.

Mayor Morin expressed support for a 4 or 4.5% increase rather than 5%. He stated the City is still suffering from the decision of past Commissions for no growth.

III. Public Input

D. J. Davis cited the need for more diversity in the City staff.

IV. Commission Direction

CONSENSUS: It was a consensus of the Commission for staff to move forward with the draft budget as presented.

V. Adjournment - 7:07 p.m.

**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.*