

## COUNCIL WORKSHOP

A Council Workshop was held on August 13, 2018 at 5:00 p.m. in the meeting room of the Zephyrhills Public Library.

President Smith called the meeting to order. Roll call was taken. Present were members Ken Burgess, Alan Knight, Lance Smith and Mayor Whitfield. City Manager Steve Spina and City Attorney Matthew Maggard were also present. Charlie Proctor arrived at 5:02 p.m. and Jodi Wilkeson arrived at 5:48 p.m.

Staff present: Police Chief Derek Brewer, Fire Chief Brian Swartout, Utilities Director John Bostic, Public Works Director Shane LeBlanc, Building Official Bill Burgess, HR Director Sandra Amerson, Director of Planning Todd Vande Berg, Airport Manager Nathan Coleman, CRA Director Gail Hamilton, Kristin Labbe with CliftonLarsonAllen (CLA) and City Clerk Lori Hillman.

### WORKSHOP ITEM

#### 1. FY 2018/2019 Draft Budget

Dr. Spina presented an overview of the FY 2018/2019 draft budget based on a 6.35 millage rate which will generate \$4,259,234 in ad valorem taxes.

#### *Review of the Draft Budget:*

1. This draft is balanced, based on a 6.35 millage rate, and includes a 3% pay raise for all employees.
2. General Fund revenue sources include franchise fees, utility taxes, communication taxes, licenses and permits, state grants, state revenue sources, county shared funds (occupational licenses), building fees, other services fees, fines and forfeitures, interest income, miscellaneous fees and services and interfund transfers.
3. State appropriation revenues are included for the Sarah Vande Berg Tennis Center, S.R. 56 Road Alignment Study and Airport runway extension which at this stage is funded at 50%.
4. Building permit fees are estimated at \$400,000 based on new construction and redevelopment.
5. Carryover budgeted reserves are approximately \$1.4M.
6. This draft includes funding grants to the Chamber of Commerce of \$50,000, East Pasco YMCA of \$40,000, youth leagues of \$10,000 and Zephyrhills High School scholarships of \$10,000.
7. Economic development funding is \$65,000; \$50,000 for the Chamber of Commerce Economic Development Partnership and \$15,000 for local incentives. Economic development funding is taken from Penny for Pasco.
8. Historic Preservation funds are budgeted in the amount of \$40,000 for historic property improvements for four buildings (Jeffries House, Depot, Barracks and Woman's Club).
9. Budgeting \$25,000 for outside legal counsel to conclude a grievance.
10. Contractual services of \$593,330 is budgeted under Utility Billing for Fathom services.
11. Worker's compensation is up about \$25,000 (about 11%) from last year to \$271,000. Casualty and property insurance rates increased to \$670,000, an increase of \$50,000 from last year.
12. Budgeted \$105,000 for Animal Control Services and \$160,000 will be carried over to FY 18-19 for air-conditioning upgrades at ZPD.
13. ZPD will purchase four new officer vehicles at a cost of about \$40,000 each.
14. ZFR expenses include restroom construction (remodeling) at Station 1, construction of a new building driveway pad, and enlarging the dining area at Station 2. Well 1 was located in Station 1 which has been abandoned and removed for extra room for expansion.
15. IT budgeted \$100,000 for new computers and equipment City-wide.
16. Public Works will begin work on the Krusen Field concession stand (\$300,000 in funding has been carried over). The Sarah Vande Berg Tennis Center design and construction in the amount of \$3.5M has been budgeted in Public Works.
17. Simons Road construction will begin this year and is budgeted in Public Works. This is a \$3M project that will be funded from Transportation Impact Fees. The developer is paying for design and engineering of the roadway and Florida Medical Clinic is contributing \$140,000 for their share of the roadway.

18. Budgeted \$50,000 for a Stormwater Study on flooding in the 5<sup>th</sup> Avenue, 4<sup>th</sup> Avenue and 20<sup>th</sup> Street areas. Budgeted \$130,000 for a stormwater generator, pump station and fencing which will be funded by gas taxes.
19. An estimate of \$400,000 for street resurfacing has been budgeted which is funded mainly from gas taxes.
20. CRA revenues have increased from \$72,000 to \$116,000 due to increases in property values and development. Funds are budgeted for the CRA welcome sign.
21. Impact fee fund shows \$2.3M in transportation impact fees, \$916,000 in park fees, and \$48,800 in both fire and police fees.
22. Miscellaneous issues include funding of \$100,000 for fire engine reserves and no funding provided for Hercules Park (in this draft).

**This draft includes the recommended positions/changes:**

- Add Code Enforcement Officer - \$35,282
- Airport (part-time to full-time employee) Airport Operations Foreman - \$35,591
- Add IT position - \$45,424
- Upgrade Planning Administrative Assistant to Historic Preservation and Community Planner - \$39,239.
- Add Assistant Finance Director - \$57,974
- Add Assistant City Manager - \$94,000 (one year, exempt position)
- Add two Police Officers - \$43,261 each (requested 4)
- Review several department head paygrades due to duties/responsibilities.

**Positions not included in the budget but discussed as a reserve:**

The City applied for three firefighter positions through the SAFER Grant. If awarded, the City will address with the Fire Assessment Fees. The Fire Inspector position which is vacant will be carried over.

**Pay Raise Costs:**

3% pay raises are included in this draft with other percentages outlined for reference.

	2%	3%	4%	5%	6%
General	128,673.73	193,010.60	391,168.14	524,345.46	800,659.43
Utility	26,962.32	40,443.48	81,965.45	109,871.45	167,770.34
Airport	5,174.27	7,761.41	15,729.79	21,085.16	32,196.40
CRA	1,409.36	2,114.04	4,284.45	5,743.13	8,769.59
Sanitation	<u>8,320.06</u>	<u>12,480.09</u>	<u>25,292.98</u>	<u>33,904.24</u>	<u>51,770.73</u>
	170,539.74	255,809.61	518,440.81	694,949.44	1,061,166.48

Conversations ensued surrounding merit based pay, employee length of service, position salary ranges, additional pay for certifications, licenses, and education.

Councilman Proctor said he would like to include more than a 3% increase, he said 3% doesn't give the employees enough to keep up with the cost of living.

Council President Smith suggested implementing a flat rate amount above a 3% increase. He said a flat rate amount distributed across the board, whether \$500 or \$4,000, would benefit the lower paid employees. He said he would hate to approve a huge amount and be forced to lay off employees next year.

Dr. Spina said the unaudited reserve balances for Zephyr Haven Nursing Home are \$3.4M and the General Fund has \$2.4M as of August 8, 2018. He said overall the City is in healthy shape.

Dr. Spina presented a Capital Projects recap for all departments which included projects funded by state appropriations.

Fire Chief Brian Swartout explained to Council the issues staff had communicating during the hurricane last year. He said staff would like to purchase radios to be used by the Public Works, Utilities, Water, and Wastewater departments on a daily basis that could be utilized as emergency radio communication between all City departments during storms and

emergency situations. He said the cost for the entire system is \$119,000 from Communications International. He said the City will have six different frequencies; Public Works will have two frequencies, Water and Wastewater will have two frequencies and there will be two frequencies to operate on an emergency basis. He said the system will communicate as far out as 15 miles and can be used for parades and community events.

Dr. Spina said Sanitation is continuing the idea of purchasing carts; 50% will be sanitation carts and 50% will be recycling carts. He said the side loader sanitation truck was taken out of the budget.

Public Works Director Shane LeBlanc said he plans to roll out the cart program without the \$280,000 side loader truck and will revisit the purchase with a midyear budget adjustment. The City has three rear loader sanitation trucks that can be utilized for cart pickup. He said the rear loader trucks have been outfitted with cart tippers.

Councilman Knight said the City is figuring two carts per household, one recycling cart and one solid waste cart. He said if the City cut down to one cart per household and continued using the blue recycling bins, the cost would be lowered from \$600,000 to \$300,000 allowing for the purchase of the side loading truck.

Council President Smith said he would like the City to look at connecting trails long-term where the sidewalks are needed. He said trailheads are nice amenities.

Mayor Whitfield said the City needs to look at the Police Department communications system.

Chief of Police Derek Brewer said he does not have an exact cost to replace the existing communications system but has inquired in the past and guesstimates the cost to be \$20,000.00, approximately.

Dr. Spina wrapped up the discussions and said he will bring back a semi-final budget with trail and sidewalk funding, provide options for Sanitation numbers between sanitation/recycling carts and the side loader truck, provide options for salary increases, add funding for Hercules Park, and funding to replace the communications system at ZPD.

Councilwoman Wilkeson thanked staff for all the hard work that went into the budget. She said it was a herculean effort. She said the budget is clear and well presented.

Meeting Adjourned: 5:56 p.m.