

CITY COMMISSION WORKSHOP

BUDGET PRESENTATION

SEPTEMBER 4, 2002

Mayor Quesinberry called the budget workshop to order at 6:00 p.m. with the following in attendance:

CITY COMMISSION: Mayor Jack Quesinberry, Commissioners, John Rees (6:07 p.m.), Theo Graham, John Harriman and Mildred Dixon

CITY STAFF: City Manager Hollis Holden, Finance Director Mike Bollhoefer, Recreation Director Larry Caskey, Fire Chief John Williamson, Police Chief Jimmie Yawn, Trailer City Manager Hughlan Martin, Public Works Director Bob Smith, Assistant to the City Manager Marshall Robertson, Utilities Director Charlie Tinch, City Clerk Kathy Montoya, City Planner Mark Cechman, Accounting Manager Brian Strobeck, IS Manager Bob Reilly and Viki Taylor Accountant

City Manager Holden recognized Mr. Bollhoefer and his staff in Finance who did a super job in putting the proposed budget together. The Department Heads did an outstanding job in working together with Finance. Mr. Holden stated that he would not belabor what has already been said in the budget message, but he wanted to point out some key items in the proposed budget for Fiscal Year 2002/03 as follows:

Salaries and Staffing: Mr. Holden stated that the budget was able to include a 2.5% cost-of-living increase (COLA) and a 2.5% merit for a total of a 5% increase for most staff. Certain positions, which are primarily new or junior police officers, needed to be increased by about 7.5%. There will be some increases to junior staff in the Utility Department of about 10%, which is tied to the position. There will be a new Occupational License Clerk, because of the significant increase in the license applications and the extensive time involved in identifying those businesses that are open without an occupational license and have not had the required inspections and approvals for zoning and safety issues. There are 3 firefighter positions proposed for the new fire station to the north. There is a new fire engine proposed from impact fees. For the first part of this year, Rescue 24 will be taken off service, in order to man the new station. There will be 2 open fire stations and if the interim budget can support the hiring of 3 more fire fighters we will put Rescue 24 back on service. Two additional dispatchers are budgeted contingent upon whether or not the City assumes responsibility, from the County, for dispatching fire services. An additional building inspector is included because construction is not slowing down. Last year we were at a little over 600 single family residences and we are not through the end of the year yet, and we are at 740. Our new population total is at 18,301, which is the fastest growing city in Orange County, excluding Oakland. Also, there is budgeted a new Equipment Operator and Recreation Specialist.

Health and Liability Insurance: Health insurance is only increasing by 11%. Liability and Workers' Compensation increase is 63%, which is set by the Public Risk Management pool that the City is in. This is probably a modest amount, considering other cities are getting a 75-80% increase. Commissioner Rees asked if Winter Garden is outperforming the pool and looking at alternatives. Mr. Holden stated it takes a year to get out of the pool and staff is discussing the possibility of looking elsewhere. Over the long haul of being in the pool, the City has enjoyed relatively moderate rate increases. Commissioner Rees asked what the annual worker's compensation premium is. Finance Director Bollhoefer stated it is approximately \$300,000 - \$320,000. Mr. Holden stated he will provide those figures when the final report comes in.

Mr. Holden stated that Winter Garden's increase in taxable value is 19.3%, which was only exceeded by Winter Park and Orlando, which exceeded everyone.

The total assessed valuation in millions for 1984 was \$112,534,851 and in 2003 is \$752,116,492.

The total population for 1984 was 7,500 and for 2003 is 18,301.

GENERAL FUND

Revenues by Source:

Taxes 38% = \$5,831,288	Other Revenue 11% = \$1,353,883
Intergovernment 29% = 4,169,729	Licenses & Permits 9% = \$1,288,453
Charges for Service 5% = \$510,590	Other Financing Sources 3% = \$1,099,443
Fines & Forfeitures 1% = \$190,300	

Uses by Category:

Personnel Services 59% = \$8,228,100	Capital 14% = \$2,310,627
Materials & Supplies 19% = \$2,693,945	Non-Operating 6% = \$651,789

Operating Uses by Department:

Public Safety 52% = \$5,956,521	General Government 21% = \$2,486,547
Parks & Recreation 12% = \$1,437,846	Public Works 15% = \$1,692,920

Capital Expenses by Department:

Public Safety 12% = \$276,957 General Government 28% = \$641,370
Parks & Recreation 1% = \$27,500 Public Works 59% = \$1,364,800

UTILITIES OPERATING FUND

Revenues by Source:

Sewer Service 50% = \$2,860,767 Water Sales 36% = \$2,062,522
Other 10% = \$600,858 Non-operating 3% = \$178,917
Fire Hydrant Rental 1% = \$59,929 Rental Income 0% = \$12,000

Uses by Department:

Administrative 54% = \$3,029,564 Waste Water 17% = \$965,564
Distribution 12% = \$660,897 Collection 9% = \$477,777
Water 8% = \$465,960

Administrative Expenses:

Contingent \$1,096,154 Loan Payoff \$539,784
Transfer to R&R \$450,000 Management Fees \$381,850
Operating Expenses \$166,441 Capital \$35,000

Uses by Category:

Materials & Supplies 46% = \$2,625,988 Personnel Services 33% = \$1,918,630
Non-operating 18% = \$1,055,144 Capital 3% = \$175,231

STORMWATER

Uses by Category:

Materials & Supplies 24% = \$127,272 Personnel Services 17% = \$88,665
Capital 59% = \$318,332

Revenues & Expenses

Bar chart showing revenues exceeding operating expenses since September 1998 (Note: the operating expenses do not include capital expenses)

SOLID WASTE OPERATING FUND

Revenue by source:

Service fees 98% = \$1,927,720

Non-operating 1% = \$187,531

Other 1% = \$24,643

Uses by category:

Materials & Supplies 54% = \$1,165,754

Personnel Services 30% = \$632,665

Capital 16% = \$345,075

Revenues & Operating Expenses:

Bar chart showing revenues exceeding operating expenses since September 1998

TRAILER CITY OPERATING FUND

Revenues & Operating Expenses:

Bar chart showing revenues exceeding operating expenses since September 1998

Uses by Category:

Materials & Supplies 43% = \$113,526 Personnel Services 21% = \$53,079

Capital 12% = \$29,760

Non-operating 24% = \$62,119

Commissioner Harriman asked if there is an emergency fund for tornados etc. Mr. Holden stated yes about \$7 million, which is the fund balance and that an incredibly healthy city has a fund balance of 25% and the County is at 5%. Winter Garden is at 70%. The last tornado cost the City about \$100,000, of which the major expense was for the garbage trucks picking up debris.

Budget highlights:

Library purchase is at \$500,000, out of fund balance

New Boyd Street parking lot at \$50,000

State Road 50 overlay is progressing and it is apparent that the City needs to develop some rules for new businesses such as the new Publix location with regard to signage and landscaping. The proposed budget includes \$25,000 for a landscape design consultant because DOT has said they are not budgeting for landscaping for the center median and buffering. Staff would then move ahead with an ordinance that will deal with the existing businesses. Commissioner Graham stated that until the design is complete by others, the City does not know where landscaping will

be needed and he believes that where there is already a lot of the business, there will not be a median to plant anything in. Mr. Holden stated that what he anticipates happening during the next 6 months staff would take what the design consultant gives the City and if approved by the Commission, develop a SR 50 overlay for new/redeveloped business. We would wait until the design of SR 50 widening is completed, in about 2 years, before finalizing the landscaping and signage for existing businesses. He wants to avoid having property owners putting in landscaping that may have to be removed at a later date. Commissioner Dixon stated that the City needs to wait and see exactly what others (State and County) are doing first and the consultant should confer with them as well regarding what type of plants that are needed. Mr. Holden stated that staff must have something to work with for the properties that are developing. He also wants to be able to plan ahead and budget for just how much it will cost and possibly amortize it over a period of time. Commissioner Rees asked if the reason the request in the budget is to give the City Commission an idea as to the cost for the median and existing businesses. Mr. Holden stated that was correct and that an ordinance is needed for new businesses.

Police and Fire: Mr. Holden stated that 2 new dispatchers is a contingency item in the budget because he anticipates receiving a letter from Orange County Fire wishing to charge the City for dispatching fire services and if that happens, he will be telling the County that the City will assume the responsibility and hire 2 dispatchers to be located in Winter Garden, who will also possibly dispatch for Ocoee. The First Response protocol would be abolished. The budget includes three new police officers and a new fire engine.

Public Works projects include repaving South Park Avenue and improvements to the 9th Street/Story Road intersection, which will include left-hand turn lanes and changing the signal.

Parks and Recreation is adding a recreational specialist and a landscaper to Trailer City.

Large expenses come under the Utilities Department with the construction of the Wastewater Treatment Plan #4 and the construction of trunk line C Phases 1 (on Crest Avenue from Palm to the intersection of Division Street at Lakeview) and Phase 2 (goes up Lakeview to Tilden). He has spoken with St. Johns about Winter Garden pumping water to Apopka from Division and if Conserve II doesn't give Winter Garden support, Winter Garden will not proceed with the interconnect with Apopka and we will take our own reuse water to the south.

Mr. Holden displayed a proposed "oval-about" at the western entrance to downtown Plant Street because the Central Street intersection does not match up and the round-about would not fit.

At this time, Mr. Holden invited questions.

Commissioner Rees asked if a performa balance sheet had been done showing all the assets and liabilities, and the proposed new debts. Since the City is getting ready to spend a lot of money and he would like to understand what the unrestricted fund balances are that are available for spending, how much is committed and how much the proposed debt amount. Finance Bollhoefer stated that he will provide that information to the Commission.

Mr. Holden stated that someone has approached the City about purchasing 304 South Main Street and splitting it into 3 lots for \$33,000-35,000 a lot. Commissioner Graham asked about removing the house at 310. Mr. Holden stated that as part of the sales agreement they would demolish the house. The property would have to be declared as surplus to be sold. Commissioner Rees stated he wants to look at what the lot widths would be.

From the City Manager's budget message:

"In conclusion, the City is in sound financial condition. We continue to operate maintaining both a low debt burden and large fund balances. This budget is a balanced budget in which current revenues finance current expenditures. It serves the citizens of the community well by providing the funds necessary to maintain and improve the City's infrastructure, ensure qualified and responsive fire and police protection, and provide those amenities that define our community."

The budget workshop adjourned at 7:48 p.m.