

City of Davenport Commission Budget Workshop of July 8, 2021

Minutes of the Budget Workshop of the City of Davenport, Florida, held Thursday, July 8, 2021 at 5:30 p.m. in the Commission Room after having been properly advertised with the following members present: Mayor HB Robinson and Commission Members: Vice-Mayor Brynn Summerlin, Commissioner Bobby Lynch, Commissioner Tom Fellows and Commissioner Jeremy Clark. Also present was City Manager Kelly Callihan. Absent and excused was City Attorney Tom Cloud.

Mayor Robinson declared a quorum present and opened the meeting

BUSINESS

1. PROPOSED FY 2021-2022 BUDGET

The City Manager announced that the budget was prepared responsibly and conservatively to ensure accountability. The proposed budget was drafted with three underlying objectives; create an environment that fosters and encourages improvement in the city; provide services that improve the quality of life for the residents and work to address the needs and prepare for the future. He drew the Commission's attention to the Budget Message, which reflected the proposed budget balanced at the millage rate of 7.5000 mills in the amount of \$34,700,045.

Donald interjected and advised that there was a change to this amount due to a change from the County. The total Tax Roll was \$545,445,314, as compared to \$434,060,555 which was a difference of about \$111,000 and roughly a 26% increase. This equated to roughly \$60,000 worth of revenue. He also noted an increase in the Police and Fire Departments of \$2,000 each, which brought the new total of the Budget to \$34,640,490.

Proceeding on, the City Manager advised that the Budget had been developed in the aftermath of what the City and the rest of the World has dealt with over the last 18 months. The FY 2020/2021 budget was based upon a philosophy of wait and see which activities have rebounded astonishingly. The City was growing as if the pandemic had never occurred. Therefore, the FY 2021/2022 budget has been developed in some regards to a "make up for lost time" mentality.

He further outlined the projected reserve for the General Fund at September 30, 2021 was \$5,772,679. The FY 2021/2022 budget for General Fund reflects a projected surplus of \$1,333,160 to increase the fund reserves to \$7,105,839.

The City Manager drew their attention to Tab 4 of their binder, which outlined the personnel changes and additions and reclassification of some positions. He shared that the proposed budget included a pay increase of at least \$2 per hour for the majority of the City's employees. This would put a majority of staff at \$15.00 an hour. With the growth that the City was seeing, he wanted to make sure that they were paying a fair enough wage so that the city didn't lose them.

Other employee benefits included:

- Continuation of the 4% merit.
- Zero increase in Health insurance premiums.
- The City will continue to fund both Pension Plans.

Continuing to Tab 5 of their binder, the City Manager outlined the Capital Items.

Brief discussion ensued with the Vice-Mayor voicing his concerns on the cost of a new vac truck and future maintenance of it versus the rental of one. Mike provided that they also had to look at how long they had to wait for the truck to get to them and/or scheduling issues. The Vice-Mayor voiced that he understood the convenience and usage but he just wanted to make sure that they got the value out of it and not get into something that was going to cost them far more than renting it.

Commissioner Lynch pointed out that it looked like this was going to be a multipurpose truck and he was sure that they had looked at prices. He further questioned the Reuse Master Plan. Mike informed him that this item was going to be paid through a grant.

The Vice-Mayor questioned the radar machine. Mike responded that this was for those areas where they had not replaced the waterlines.

In answer to Commissioner Fellows' question, Kelly clarified that the 16" connecter main was to connect water plant 1 to water plant 2.

Proceeding on, Donald outlined the Budget Summary which showed the Revenue and Expense summary. Donald noted possible fluctuations depending on the economy. He informed them that Building Permit fees were based on 600 homes. All state revenues mirrored what their projections are and added that nothing else had changed much.

The City Manager informed them that Staff was researching and working with the Auditor and City Attorney on what they could do with Building Permit fees. He further shared that they would probably see this in their Audit report as a comment.

The City Commission proceeded to review the Budget by Department; noting the following changes and/or corrections or notations to each.

COMMISSION

Commission Contributions reflected:

- \$10,000 EDC
- \$3,000 Community Grants
- \$3,630 Citrus Connection (Reflects the requested increase)
- \$10,000 Chamber of Commerce

Ridge League Dinner reflected an increase due to the city hosting a dinner in April.

CITY MANAGER

- Relatively stayed the same

FINANCE

- Personnel changes were noted

LEGAL

It was noted that the number would depend on the workload. The Vice-Mayor voiced concerned if this was enough considering the possibility of any AWS litigation. The City Manager replied that they could always do a budget adjustment if it went over. Donald informed them that there was also \$50,000 in Contingency if they needed it.

CITY CLERK

- Reflects normal operating expenses.

GENERAL GOVERNMENT

- Liability W/C has gone up because of increase in additional staff and pay increases.
- Line items reflect an increase due to increase in vehicles and equipment and the new Community Center
- Increase in IT due to more workstations
- Addition of line item for \$25,000 for Employee Health Programs as a result of the rebate they had received.

POLICE DEPARTMENT

- Increase to Communication Services due to additional officers
- Contractual Services increased
- Increase to IT – Computers are out of warranties and anticipate repairs
- Accreditation fees went up
- New copier
- Line items show an increase due to additional personnel and economy and growth

Brief discussion ensued on the new addition with Commissioner Clark questioning how long they would be able to use the facility before they had to look at this again. Chief Holden responded that they should build a Police Department for 20 years out, but with the growth they were experiencing they might be coming back to them in 5 years. The City Manager added that staff felt that \$600,000 was a reasonable amount. Additionally, in 20 years their building boom was going to drop.

FIRE DEPARTMENT

- Communications – Includes Service Fees & replacement of handheld radios
- As with additional personnel the line items reflect an increase
- Uniforms – Money was placed in the budget in the event they didn't get the grant
- Capital includes a generator
- Includes cost of new engine they just purchased

BUILDING DEPARTMENT

The City Manager pointed out that the Permit Tech and additional Inspector was still in their Budget in case the City continued to grow and would only hire them if they were needed.

The Vice-Mayor asked if the Building Department expansion was paid for. He was informed that it was.

- 3rd Party consulting increased due to volume of development activity
- Mapping Contract increased due to the city continuing to grow
- Capital Outlay included the new vehicles
- Line items reflected an increase due to development activity and growth.

CODE ENFORCEMENT

- Special Magistrate increase
- Demolition was left in the budget in case the owner of the Brenner Building didn't pull through

GARBAGE

- Reflected increase due to growth and the additional homes being built.

Cemetery

- Includes Software upgrade

Streets

- Increase in line items due to growth
- Includes the Department's portion for the Dump Truck and Equipment Building

PARKS & RECREATION

- Reflects the new Community Center and debt service
- Communication - increase due to increase in personnel
- Utility Services – Increase due to new Community Center
- Rents & Leases – includes copier and reflects services with linen company
- R & M – included for all the facilities
- Special Events Expense – reflects additional new events (Taste of Davenport, Reverse Raffle)
- Line items show an increase due to increase in personnel and growth
- Education & Training reflects an increase for the Recreation Supervisor and event staff education
- Books, Pub, Subscriptions reflect an increase for magazine subscriptions for the Community Center lobby
- Capital Outlay includes their portion of the Equipment Building
- Lewis Mathews Complex Expense reflects Herbicide/Pesticide and fertilization & Irrigating front practice field
- Jamestown includes the CDBG grant

Before proceeding to the next item, the City Manager introduced Josh Hicks who came to the City from Polk County Sports Marketing.

RESERVES

Donald outlined the Reserves for each category.

UTILITY FUND

- Reflects line item for Federal Grants in the amount of \$2,400,000, but is earmarked for utilities only. Donald noted that Mike anticipated using this towards sludge removal.
- State Grant – Includes \$255,000 for the Reuse Master Plan

Utility Billing

- Reflect increase due to rate increase for personnel.

WATER/WASTE WATER FUND

Water Plants

- Reflects \$10,000 for legal fees in case of legal services
- Reflects Engineering Services at \$50,000
- Plant Operator Services - \$58,780. Mike advised that they would not see this in their budget next year. He further added that the City had a Water and Wastewater Operator now, but there were some things in this contract that he wasn't comfortable in letting them do right now so he had left it in the budget.
- Line items show an increase due to increase in personnel and growth
- Line items reflect decreases due to items being charged to the account incorrectly

Wastewater Plant

- Reflects \$10,000 for legal fees in case of legal services
- Includes \$330,000 for the Reuse Master Plan
- Lines items reflect an increase due to growth
- Reflects \$225,000 for sludge removal. This was due to increase in flow.

Collections & Distributions

- Communications – Increase due to telemetry systems at the lift stations
- Lines items reflect an increase due to growth
- Operating Expenses increased due to purchase of emergency trailer and equipment.
- Includes their share of the dumptruck and equipment building

Stormwater Fund

- Contractual Services includes \$10,000 for Water Management Plan
- Lines items reflect an increase due to growth
- Capital Outlay includes \$20,000 for a mower and trailer

Commission Clark questioned the Administrative Assistance divided between three different Departments. It was explained that they provided assistance to all of those Departments and their salaries was divided between them.

Commissioner Clark questioned if they could make the EDC a Department and if they could operate it with Building funds. The City Manager responded that he didn't think they could use Building Funds for this. He didn't think that it was necessary for them to do something in this year's Budget. Right now staff could handle any calls coming in. However in the future and before they recruited an outside individual, he would rather have the City have an EDC Director on staff. Commissioner Clark suggested that they take a look at it next year and research it.

The Vice-Mayor pointed out that they were not going to staff an EDC person for \$10,000. If they could get a return on their investment then they could count him in.

The City Manager added that he was approached at the Four-Corners summit by the Chairperson from the Haines City EDC and they had asked him if the City would be interested in listening to a presentation from them. They are currently working on changing their name from Haines City EDC to the Northeast EDC. He had told them that when that happened to get with him and he would place them on the Agenda.

From a finance standpoint, Donald explained that the EDC was more of a marketing tool. What needed to happen in Davenport before marking the city was 1) what they were going to market, 2) how were they going to market it, and 3) where was it going to be. They needed to get a study done and probably something they could do in the interim.

Commissioner Clark asked if they had staff that could do this study. The City Manager responded that they didn't but they could certainly hire someone to do it.

Commissioner Lynch advised that they didn't have anything to promote and if they didn't have anything to market then there was no sense in getting someone on board.

The City Manager suggested a future Workshop to discuss this.

There being no other business, meeting adjourned at 8:20 p.m.

I HEREBY CERTIFY that the foregoing Minutes are true and correct.

Raquel Castillo, City Clerk