

City of Davenport Budget Workshop of July 8, 2024

Minutes of the Budget Workshop of the City of Davenport, Florida, held Monday, July 8, 2024 at 5:30 p.m. in the Commission Room after having been properly advertised with the following members present: Mayor Brynn Summerlin and Vice-Mayor Jeremy Clark. Commission Members: Bobby Lynch, Linda Robinson and Donna Fellows-Coffey. Also present: City Manager Kelly Callihan. Absent and excused was Attorney Tom Cloud.

Mayor Summerlin declared a quorum present and opened the meeting.

1. PROPOSED FY 2024-2025 BUDGET

The City Manager drew the Commission's attention to the Budget Message, which reflected the proposed budget in the amount of \$59,666,730.00 balanced at the millage rate of 7.2500 mills.

The proposed budget was drafted with three underlying objectives.

- Create an environment that fosters and encourages improvement in our city;
- Provide services that improve the quality of life for our residents; and
- Work to address the City's current needs and prepare for the future.

Budget Highlights Include:

The FY 2024/2025 budget adds necessary funding to maintain the current high level of service provided to our citizens and to support city staff in an environment of rising costs under the context of what may lie ahead.

The preliminary tax roll totals \$1,235,884,864, which is an increase of \$208,731,478 or 20.3% over the 2023 amount. The past five years the City has realized an average property value increase of 30%.

He drew their attention to the millage and property value history.

The proposed Budget includes:

- A 4% COLA increase for employees
- Continuation of 4% merit increase.
- The City continues to be a member of Florida Local Government Health Insurance Consortium (FLGHIC). The city will receive a rebate of a little over \$100,000. This year they are looking at an increase of about 10% so the rebate would help offset this increase. The City Manager further added that there have been quite a few claims and as such there would be no bonuses for the employees this year.
- Continuation of tuition reimbursement program. This has increased to \$4,000 this year.
- Continued funding of the General Employees and Police Officer/Firefighters pension plans with employees contributing 5% of salary and the city contributing 11.8% to the General Employees and 3.2% to the Police Officers/Firefighters. Donald pointed out that the city would continue to receive the insurance surcharge money from the State.

New Positions Include:

- Finance Clerk

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- Three Patrol Officers
- Three Firefighter/EMT
- Facility Maintenance Tech
- Wastewater Plant Trainee
- Lift Station Tech

Capital Projects Include:

- Design and construction of new Lewis Mathews Sports Complex
- Major Upgrades to the City's IT infrastructure
- Expand Wilson Park splash Pad
- Banquet Hall Expansion
- Walking trail around North Lake
- Alternative Water Project
- Completion Wastewater Phase 2 Construction
- Powerline Road extension waterline and force main improvements
- Wastewater Phase 3

The City Manager drew their attention to their Reserves with the General Fund on September 30, 2024 would be \$14,851,903. The FY 2024/2025 budget for the General fund reflects a projected surplus of \$1,114,525 to increase the fund reserves to \$15,966,428 on September 30, 2025. The projected unassigned reserve in the Water/Wastewater Fund on September 30, 2024 is \$6,566,310. The FY2024/2025 budget for the Water/Wastewater Fund is balanced using \$1,547,540 of reserves resulting in an unassigned reserve balance of \$5,018,770 at year end. The use of reserves is expected in the short term with all the utility improvements underway. Donald also added that the plan was to use some of the reserves going forward to balance in the interim and basically catch up on the back end once everything was in place and move forward.

The City Manager drew their attention to the Organization Chart. He informed them that the city now has 119 employees.

Their Long-term Debt Summary was explained by the Finance Director. He also drew their attention to the Venn Diagrams showing their overall Revenue and Expenditure percentages. He also outlined their TRIM calendar.

Moving on to the line-item Budget, Donald noted that they had received the estimate from the Property Appraiser. Their tax base had gone down a little over \$1 million which equated to about \$10,000 in Revenue.

Mayor Summerlin questioned if the \$1,600,000 in Building Permits was a conservative number. Building Official Bill Nolen stated that it was a good conservative number.

The Commission proceeded to review the Budget by Department.

COMMISSION

The City Manager noted that the retirement pension for the qualifying individuals was in the budget.

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The Mayor asked if \$3,500 was enough for the Citizens Academy. He felt that they should look into a youth academy also. The City Manager answered that this amount would cover it.

The Budget reflects an increase to Community Grants from \$3,000 to \$6,000.

CITY MANAGER

There were no additions or deletions.

FINANCE

- Contains Finance Clerk position

LEGAL

There were no additions or deletions.

CITY CLERK

The City Clerk advised that the online meeting viewership figures were based on a quote from 2019 because the company had not responded to her inquiry until today right before the meeting. So based on the quote from 2019 the amount to provide this service was \$13,000 for the initial setup, plus an annual support of \$11,000 and \$17,700 for close captioning, which was based on the number of minutes for the year at the rate of \$.60 per minute for English close captioning and \$10.00 per minute for Spanish for a total of \$41,000. The new quote received today was about \$5,000 per year because they had integrated with Microsoft and the English close captioning would be free, but this did not include close captioning for Spanish and current prices per minute was \$12.

The City Manager pointed out that when they had it on their website they were averaging about 2 participants and the most was about 3. When the cities started getting sued because their websites weren't ADA accessible, the city took theirs down.

The Mayor recommended that they postpone this until a later budget year because they didn't have the numbers to support it. This met with the consensus of the Commission and was deleted from the Budget.

- Deleted Website Accessibility (\$10,000) due to IT already looking into this when they website is revamped.
- Includes \$9,000 for Freedom of Information Act (FOIA) software due to the substantial increase in records requests. This will help streamline the process and track and keep an audit of all the records.

HUMAN RESOURCES

- Reflects normal increases due to growth and rising costs
- Includes a laptop for Human Resources

GENERAL GOVERNMENT

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- Waiting for true insurance costs and the line item will be adjusted accordingly.
- Reflect normal increases due to growth and rising costs
- Internet Service increase due to upgrade to a dedicated service
- Includes their contingency reserve of \$50,000

POLICE DEPARTMENT

- Includes three new positions plus vehicles for each
- Reallocation of School Resource Officer
- Reflect normal increases due to growth and rising costs

FIRE

- Increase to Operating Expenses due to new hires and continued equipment replacement/purchase for reserved engines
- Includes the refurbishing of the brush truck in the amount of \$20,000
- SAM Boost install on E-1 in the amount of \$60,000

BUILDING

- Increase in 3rd Party Consulting for Comp Plan review by Central Florida Regional Planning Council (CFRPC) - will be applying for a grant to offset this.
- Reflect normal increases due to growth and rising costs
- Contains new vehicle
- Change of title for current employee which is reflective in increase to salaries

CODE ENFORCEMENT

- No additions or deletions

GARBAGE

- Reflects normal operating expenses relative to customer base.

CEMETERY

- Donald noted that the Reserves have pretty much been used up with the new addition.

STREETS

- Increase to communications
- Increase to R & M
- Contains \$10,000 for handicap ramps
- Contains \$4,000 in hand tools for new position
- Reflect normal increases due to growth and rising costs

Capital Improvements include:

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- Bucket Truck
- Mower
- Truck w/service body
- Tractor
- Seawall - \$125,000
- Closing in Fuel Island - \$70,000
- Metal Storage Building - \$120,000
- Roof replacement - \$60,000
- Window replacement - \$50,000
- Annual sidewalk replacement program – increased to \$50,000

PARKS & RECREATION

Items included:

- Addition to the banquet hall - \$1.6 million
- Wilson Park Splash Pad renovations - \$511,000
- North Lake Trail Project - \$950,000
- Increase to OT to reflect increase in rentals and programs
- Facility Painting
- Exit doors to sidewalk connection
- Additional exercise equipment
- Chairs for banquet hall
- Jamestown basketball court resurfacing
- Banquet hall stage sections & trolley
- Normal increases due to growth and rising costs

SPECIAL REVENUES

- Includes all the general impact fees. All the revenues are based on 300 new homes.

Donald noted that the revenues in water and wastewater were based on the new rate study being proposed.

UTILITY BILLING

- Contains Citizen link software to notify residents of important announcements.

WATER PLANTS

- Increases due to rising costs
- Includes new position

Capital Improvements include:

- Cost for Alternative Water & Environmental Management Program
- Water Plant 2 Redundent Well - \$1.5 million
- Water Plant 1 – Engineering & Reconstruction - \$200,000

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- Light tower - \$18,900
- Spare pump - \$35,000
- \$750,000 in Consulting Engineers which covers the cost of PRWC

WASTEWATER PLANTS

- Consulting - \$350,000

Capital Improvements includes:

- Wastewater Phase 2 Construction completion - \$1.5 million
- Wastewater Phase 3 Design & Construction - \$6 million
- Light towers
- Dump trailer for BCR Hauling - \$74,000
- Slope Mower - \$71,000

COLLECTION/DISTRIBUTION

Capital Improvements Includes:

- Line upgrades & engineering
- Replacing older hydrants
- Spare lift station pump
- Replacing older electrical panels at lift stations
- John Deere Gator
- Trencher
- Light towers
- Installation of fiber to lift stations
- Two Service trucks
- Infrastructure for Powerline Road water and sewer - \$3 million
- 55 acre project for water, sewer and reclaimed water - \$250,000
- Includes Center Crest demo and connection to city - \$750,000 but only if they get the funding.
- Force main from Bargain Barn to North Boulevard
- Normal increases due to growth and rising costs

STORMWATER

- Starting to see reserves.

The Mayor asked if they knew of any stormwater projects coming up. Darryl responded that staff was prioritizing them to bring forward within the next few years.

Donald drew their attention to the following:

- Tab 4 consisting of Payroll Salaries, which outlines all the employees salaries and anticipated COLA and merit raises.
- Tab 5 outlined the 5-Year CIP

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- Tab 6 – Their Reserves detailing each of the categories.

This concluded the Workshop. The Commission voiced their appreciation to staff for making their budget more simplified these past few years and for staff being proactive.

There being no other discussion, the meeting adjourned at 7:54 p.m.

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



Raquel Castillo, City Clerk