

**MINUTES OF THE BUDGET WORKSHOP MEETING
OF THE LADY LAKE TOWN COMMISSION
LADY LAKE, FLORIDA
July 13, 2017**

The meeting was held at Lady Lake Town Hall, 409 Fennell Blvd., Lady Lake, Florida, with Mayor Jim Richards presiding. The meeting convened at 10:00 a.m.

CALL TO ORDER: Mayor Jim Richards

1. ROLL CALL: Tony Holden, Commissioner, Ward 2
Dan Vincent, Commissioner, Ward 3
Paul Hannan, Commissioner, Ward 4
Ruth Kussard, Commissioner Ward 1
Jim Richards, Mayor/Commissioner, Ward 5

STAFF MEMBERS PRESENT: Kris Kollgaard, Town Manager/Town Clerk; Pamela Winegardner, Finance Director; Chief Chris McKinstry, Police Department; C.T. Eagle, Public Works Director; Mike Burske, Parks & Recreation Director; John Pearl, IT Director; Tia O'Neal, Human Resource Director; Marsha Brinson, Library Director; Ted Williams, Street Maintenance Supervisor; Butch Goodman, Utilities Supervisor; Van Kao, Parks & Recreation; Debbie Rodriguez-Lopez, Senior Accounting Clerk; Becky Hewett, Account Specialist; and Nancy Slaton, Deputy Town Clerk

2. Public Comment

Mayor Jim Richards asked if anyone present had any comments or questions. There were no questions or comments.

3. Fiscal Year 2017-2018 Budget – General Fund Overview (The proposed budget for FY 2017-2018 is on file in the Town Clerk's office.)

Finance Director Pam Winegardner asked if the Commissioners wanted her to read the transmittal letter.

Town Manager Kris Kollgaard confirmed with the Commissioners that they did not want the transmittal letter read into the record as it was included in their budget books and available on the table for the public. She stated there are two corrections to the transmittal letter. The first concerns the COLA and merit increases; there is a 2% COLA and up to a 3% merit increase proposed in the budget for employees. She stated road paving is budgeted at \$375,000 instead of \$345,000 as shown in the letter.

Overview of the FY 2018 Proposed Budget:

Mayor Richards stated he will announce each department, and any questions for that budget will be heard at that time.

Town Commission:

**Commission Budget Workshop Meeting
July 13, 2016**

Commissioner Vincent questioned Item 4000 under this budget, for Lake County League of Cities lunch, and recommended this be deleted as it was removed last year.

Ms. Kollgaard stated ethics training is a mandatory requirement for elected officials and this line item is for that meeting.

Commissioner Hannan asked that this line item be stricken.

Mayor Richards suggested it could be re-worded as ethics training luncheon.

It was the consensus of the Commission to strike this line item.

Town Manager:

Commissioner Hannan questioned the increase of 500% for the travel line item under this budget.

Ms. Kollgaard stated it is currently in her contract that she will drive her personal vehicle and request mileage reimbursement. She stated she has never done this because she is in and out so much every day. She stated it would be much simpler to give her a car allowance, or lease a car. Ms. Kollgaard stated she included this in the budget, and options will be reviewed and brought back for the Commission's consideration.

Town Clerk:

Commissioner Vincent stated he has noticed an increase in Workers' Comp in all departments. He asked if there have been a lot of claims.

Ms. Kollgaard replied that the Town has had several Workers' Comp claims and this increases the pool.

Commissioner Hannan asked if the regular pay under Town Clerk is for the Deputy Town Clerk only.

Ms. Kollgaard replied that the regular pay under this budget is for both the Deputy Town Clerk and the Staff Assistant in the Clerk's office.

Town Clerk - Elections: There were no comments or questions on this budget.

Finance Department: There were no questions on this budget. Commissioner Hannan commented that the Finance Director is doing a great job.

Information Technology:

Commissioner Kussard questioned why car washes are now being included under Vehicles-Repairs and Maintenance.

Ms. Kollgaard replied that Police Department staff wash their own cars, but other departments such as I.T. used to pay for it out of pocket and be reimbursed out of general operating. The Town now has an account with Super Wash in Lady Lake and this has been put under a line item.

Commissioner Vincent suggested that staff check into having a mobile car wash take care of the Town's vehicles rather than taking them elsewhere. He suggested getting bids on this.

Ms. Kollgaard stated that Mr. Eagle of Public Works has been able to take the large equipment from Public Works to a large bay at Super Wash and they are able to clean them underneath as well with a high-powered spray.

Human Resources/Risk Management Department:

Mayor Richards asked why regular pay for this department increased 11.3%.

Ms. Kollgaard stated that it includes a promotion/reclassification for the Human Resource assistant because she has taken on more responsibility, as well as the COLA and merit increases.

Commissioner Kussard questioned the variables on the amounts for term life disability costs in the different departments.

Human Resource Director Tia O'Neal stated the rates for long term disability vary according to the wages of the employees. She stated employees may leave and new employees may be hired in at a lower wage. She stated it is the same with life insurance costs.

Commissioner Kussard asked what is included in Other Contractual Services under this budget.

Ms. O'Neal replied that deposition costs are included in this line item, and vary according to the number of cases.

Ms. Kollgaard noted that not all cases calling for depositions result in a lawsuit.

Growth Management Department:

Ms. Kollgaard noted that this budget includes an added position due to the increased business activity in this department.

Growth Management Department - Building Department:

There were no comments or questions on this budget.

Growth Management Department - Code Enforcement Department:

There were no comments or questions on this budget.

Police Department:

Ms. Kollgaard noted that event insurance has been added to this budget, as well as Parks and Recreation.

Commissioner Kussard noted there were a number of decreases in personal services for this budget. She asked if the Town lost a number of officers.

Ms. Winegardner replied that some police officers who received higher pay have left or retired, and new younger police officers are being hired in at lower rates. She also stated that the Town adopted a flat rate for off-duty detail to compete with others, and this reduces over-time pay, and is an in and out expense.

Mayor Richards commented that he had just heard on the news this morning about carbon monoxide leaks occurring in gaskets in Ford Explorers.

Chief Chris McKinstry reported that the police fleet is made up mostly of Dodge vehicles, as well as some Ford Explorers. He stated that Ford has supplied all of the Town's vehicles with carbon monoxide detectors in the passenger compartment, and they will be sent in for repair when or if there is a recall.

Commissioner Vincent commented that he has noticed an increase in vehicle expenses and repairs across all departments. He asked if the Town is keeping their vehicles too long before replacing them.

Ms. Kollgaard replied that the vehicles are replaced on a rotating schedule; five police department vehicles are replaced every year. She stated that it is more cost effective to repair some of the larger equipment to keep it working longer.

Mr. Eagle agreed with Ms. Kollgaard. He stated as an example that a motor replacement for one of the bucket trucks costs \$16,000 versus \$200,000 for a new bucket truck. He stated the motor replacement will extend the life of the bucket truck for some years to come.

Ms. Kollgaard stated that the Town's motor pool mechanic looks at the vehicle or piece of equipment and recommends whether a repair is more cost effective than a replacement.

Mayor Richards pointed out that in FY 2016, there was \$100,000 budgeted between vehicle repairs, and repairs and maintenance. He stated that this figure is basically the same between these two categories from year to year; when the amount decreases in one, it increases in the other.

Police Department - Villages Detail:

Ms. Kollgaard stated this budget is not quite fully funded by The Villages. She stated there is a variable regarding payroll in this category based on who is assigned to this detail. She stated the Town receives \$100,000 from The Villages.

Library - Administration:

Ms. Kollgaard noted that this budget includes funding for a new position. She stated community building rentals are currently done through the Clerk's office and it is a lot for them to handle. A lot of the community rentals are on the weekends and there has been some controversy because staff has not been available to check the building between rentals. Some groups have stated the building was not left clean, and it was disputed by the previous group. Ms. Kollgaard stated the new position will be a flex, part-time position, and will be responsible for handling the community building rentals and checking the building on the weekends, and also filling in at the library. She noted one of the library staff has just gone out on maternity leave, and they could use the help. Ms. Kollgaard stated she would like to go ahead and advertise for this position in this fiscal year, as it takes about a month and a half for the hiring process, if the Commission approves.

It was the consensus of the Commission to go ahead and post this position and start the hiring process.

Mayor Richards noted that line item 6600 remained the same at \$55,000. He asked if the library is still buying that many books. He asked if some of the funding comes from the county.

Ms. Kollgaard replied that this line item includes the purchase of books as well as e-readers.

Library Director Marsha Brinson agreed, and stated that the Town does receive some monies from the county, although the majority comes from the Town's budget for electronic material.

Commissioner Vincent asked what the library charges for e-reader rentals.

Ms. Brinson replied that there is no charge to patrons for e-reader borrowing. She stated the purchase of an electronic item such as an e-reader is approximately the same as a book, averaging \$25 each.

Library - Community Building:

Commissioner Holden asked how the rentals are doing since the Town had provided Wi-Fi to the building.

Ms. Kollgaard stated it is rented quite a bit, and although the Town does not charge a lot, it is rented most every weekend.

Ms. Brinson commented that it is very consistently used and people appreciate the Wi-Fi that has been installed.

Parks & Recreation - Administration:

Commissioner Kussard asked about the amount in the budget for the parade.

Parks and Recreation Director Mike Burske replied that there was an increase for additional insurance for the parade. He stated the monies for the bands comes out of OGS, and the two bands for the parade include Howard Middle School and Leesburg, and they are paid approximately \$1,000 each.

Public Works Department - Administration:

Commissioner Kussard stated the transmittal letter mentions the replacement of a grasshopper mower motor for \$16,000; she asked if this is an error as a mower was purchased in 2015 and 2017 for the same price.

Mr. Eagle replied that it was an error; the \$16,000 was for the motor for the bucket truck.

Public Works Department – Facilities Maintenance: There were no comments or questions on this budget.

Public Works Department – Motor Pool:

Commissioner Vincent noted the repair line increase \$1,700.00 for motor replacement.

Mr. Eagle stated that this was based on the age of the truck.

Public Works Department - Road and Street Maintenance:

Mayor Richards asked if road resurfacing comes out of General Fund items.

Ms. Kollgaard replied that it does; the sales surtax can be used for new roads or for road widening.

Mayor Richards stated he mentioned this because several air conditioners are being replaced, and he wondered how many air conditioners the Town has and how often they are replaced.

Ms. Kollgaard replied there are 54 units and include the library, Public Works, Parks and Recreation and Town Hall, and two are being replaced each year.

Commissioner Hannan asked if the Town has a maintenance agreement on the units where they are maintained on a yearly basis.

Ms. Kollgaard replied that the Town does have a maintenance agreement on the air conditioning units.

Commissioner Kussard asked how many have been replaced prior to this year.

Mr. Eagle replied that two units have already been replaced this year, and major repair was done on one at the library. He stated the replacement of units will be based on their age and on their warranty. He stated staff is trying to get a ten-year warranty on the new units going forward.

Mayor Richards noted the road budget has been increased by \$175,000 for this next fiscal year. He stated that if the budget were to be based on the rolled back millage rate of 3.21, it would result in generating \$171,000 less than this current proposed budget. He stated the millage rate was previously raised from 3.28 to 3.75 specifically to cover the fund to repay the state for the overpayment of communication services tax revenue in the amount of \$1.5 million.

Ms. Kollgaard stated that the Town did actually repay approximately \$1.5 million because the state stopped the payments of \$400,000+, and the Town repaid an additional \$750,000.

Mayor Richards stated he would prefer to go to the rolled back rate of 3.21, which will be discussed more on Monday night, and would like to find \$170,000 in this budget to get to that.

Commissioner Kussard stated that the Commissioners should consider that the legislation is talking about voting on an additional \$25,000 homestead credit on property taxes in November. She stated the Commissioners should make sure the Town is not cut short if this occurs as the Town has been in the black and should continue that way.

Mayor Richards stated the budget should only generate the money necessary to run the Town in a professional way; paying as we go. He stated if legislation votes the additional homestead credit in, the Town will take measures at that time. He stated the Town reacts to do what is necessary when it is necessary.

Ms. Kollgaard stated she feels it is harder on residents to constantly go up and down, and she would prefer to keep a consistent millage rate like the Town did with the rate of 3.28 for years. She stated if the cost of living was figured in to the 3.28, it would bring the rate up to 3.55.

Mayor Richards stated the monies could come from paving, or the added monies in contingency.

Ms. Kollgaard stated the Town is applying for the Small Cities grant for \$50,000, which has a \$50,000 match, if awarded.

Mayor Richards stated it could also be taken out of reserves as a capital improvement.

Commissioner Kussard stated any extra monies in the budget could be used for roads as suggested by Commissioner Holden at the last meeting; new roads that could alleviate the traffic problems on Rolling Acres Road and US Hwy 27/441. She stated she would like to see any extra monies used for that purpose.

Commission Holden agreed; he stated there are always items coming up during the year.

Mayor Richards stated the budget should be based on known expenses, and things that are planned; not a guesstimate. He stated it is nice to have money set aside for contingencies, but the Town has a reserve. He asked how much is currently in reserves.

Commissioner Hannan asked how many months' expenses are kept in reserves.

Ms. Kollgaard replied that the state recommends three months; the Town keeps at least six months in reserves. She stated the Town is still trying to recoup all the expenses incurred during the 2007 hurricane; the Town has only received approximately \$500,000 back of the over \$1 million dollars in costs incurred.

Ms. Winegardner stated that the Town had an unassigned balance of \$7 million in FY 2016, and six months of that was put in reserves to cover six months of expenses.

NON DEPARTMENTAL:

Other Government Services - Town Hall:

Ms. Kollgaard stated this budget includes funds to update the Town Hall kitchen which is in need of repair. Public Works staff will install and finish new cabinets, etc. She stated this budget also includes the repainting of Town Hall. Ms. Kollgaard stated \$30,000 for a new monument marquee sign is included, and staff is suggesting this be put up at the Chamber at Log Cabin Park to use for advertising and events.

Town Attorney:

Ms. Kollgaard stated that the Town Attorney has not increased his rates since 2005, although he has submitted an increase this year. She stated a new contract will come before the Commission in August.

Villages Fire Protection:

Commissioner Hannan stated Villages Fire is in negotiations with the fire department and their rate may increase.

Ms. Kollgaard stated they are required to notify the Town by a certain date if there is a change in the rate, and they did not, so it will not effect this year's budget.

Commissioner Kussard confirmed that the rate will remain at \$92 for those that have Villages fire protection.

Ms. Winegardner stated it will remain at \$90.11 for customers this year.

4. Fiscal Year 2017-2018 Budget – Special Revenue and Utility Fund

Special Revenue Fund Transfers: There were no comments or questions on this budget.

Utilities Fund: There were no comments or questions on this budget.

Commissioner Vincent asked if there was any word on Fruitland Park's proposed connections to the Town, which will be additional revenue coming in.

Mr. Eagle replied that staff recently received word that they have begun the bid process and may soon start work.

Water Utility: There were no comments or questions on this budget.

Solid Waste Utility: There were no comments or questions on this budget.

Sewer Utility:

Commissioner Vincent commented that Wawa spoke of installing sewer lines to the east side of Hwy 27/441, and he asked if the Town will have any added expense for expanding that line.

Ms. Kollgaard stated that this is not formalized, and may come up at site plan for Wawa, and it has not been accounted for in this budget.

Mr. Eagle stated that Wawa will be served by the Town's gravity sewer line on Old Dixie, but they have talked of putting another building on the east side of Hwy 27/441, and would like to tie in sewer to that area. He stated the expense would fall on them in any case.

Mayor Richards asked if sewer impact fees could be used if the Town agreed to an oversized line.

Mr. Eagle replied that Wawa would pay for the installation, but an oversize agreement could be drawn up where they could potentially collect impact fees if anyone else ties onto it.

Summary:

Ms. Kollgaard stated that the Commission would have to set the tentative millage rate, and dates and times of the budget hearings at Monday night's meeting. She reminded the Commissioners that

**Commission Budget Workshop Meeting
July 13, 2016**

they cannot increase the millage rate after Monday night; they can only keep it the same or decrease it after that time. She asked if there was any further discussion on the millage rate.

Mayor Richards stated he is looking at the rolled back rate, and Commissioner Hannan agreed with him.

Commissioner Kussard, Commissioner Holden and Commissioner Vincent stated they would like to keep it at the current rate; the same rate as last year.

Commissioner Hannan commented that the budget process has gotten better each year, and this year is much better than last, noting they made no changes to it this year. He congratulated the Finance Director and her staff.

Ms. Kollgaard agreed that the Finance staff did a great job.

There being no further discussion, the meeting was adjourned at 11:03 a.m.

Kristen Kollgaard, Town Clerk

Jim Richards, Mayor

Minutes transcribed by Nancy Slaton, Deputy Town Clerk