

Workshop Minutes for Town Council Workshop

August 25, 2023 at 9:00AM

TOWN OF PENNEY FARMS

TOWN COUNCIL BUDGET WORKSHOP

DISCUSSION OF THE PROPOSED 2023 / 2024 FY BUDGET

This package was distributed to all Town Council Members; Finance Committee Members and Audience Member(s) that were present

- THIS PACKAGE CONTAINS THE PROPOSED TOWN OF PENNEY FARMS BUDGET BREAKDOWNS FOR THE GENERAL FUND; WATER UTILITY FUND; AND THE WASTEWATER/SEWER FUND FOR FISCAL YEAR 2023 / 2024
 - EACH FUND HAS A COMPLETE CORRESPONDING INDIVIDUAL LISTING OF REVENUES AND EXPENDITURES WITH THE CORRECT STATE OF FLORIDA UNIFORM ACCOUNTING CODES LISTED
 - THE BANK ACCOUNT BALANCES THAT CORRESPOND TO EACH FUND WILL BE SHOWN IN EACH OF THE FUNDS
-

Call to Order: 9:00AM

Present: Mayor DeVille; VM Sabin; CM Brooks; CM Andrews; and CM Ryder

All present for the record.

Finance Committee Members: Chairman Sabin; B. Brower; R. Hollowell; G. Larson; and T. Ryder

All present for the record.

Absent: NONE

Additional Audience: Judge McWhorter

TABLE OF CONTENTS BY SECTIONS:

SECTION 1: ALL BANK ACCOUNT BALANCES USED AS OF JULY 31, 2023 (See list provided)

-TM Cooper read all of the bank balances that were being used for the purpose of this budget process.

**No questions or concerns*

SECTION 2: 2023/2024 GENERAL FUND – TRACKING REVENUES (See attached sheet)

-TC Cooper reviewed the General Fund Revenue Tracking Sheet to explain the required separate line items kept in this fund, which included Ad Valorem Tax Revenues; Building Permit Revenues; American Rescue Plan Revenue (ARPA) Revenue; and the Town's Operating Reserves.

-TC Cooper also provided the calculations for each of the major Ad Valorem tax payers in the Town of Penney Farms: The Reinhold Corporation; The Penney Retirement Community; Town Residents; and Jax-Palatka Farms, LLC. She also explained the adjustments to the totals from November 2022 through July 1, 2023, because her totals are derived from the report that comes out in late October of the previous year, but collections are ongoing throughout the year. She further explained the total Ad Valorem tax amount is larger than last year and she has taken out 5% as directed by the Town Auditor, to account for the various changes throughout the year during the collection period.

-TC Cooper reported on the capital projects being considered for this upcoming year and the expenses being generated from this list.

-G. Larson clarified the Roll-Back rate is used to calculate what the Town will receive in Ad Valorem taxes.

-TC Cooper stated this amount is calculated to receive the approximate same amount of taxes as the previous year.

**No further questions or concerns*

SECTION 3: COUNCIL MEMBERS STIPEND (See attached list)

-TC Cooper reviewed the Council Stipend sheet and asked each of the Town Council Members what their preference was. She stated there will be a motion needed at the next Town Council meeting to confirm the choices mentioned. The results were as follows:

	<u>LEAVE AS COUNCIL RESERVE FUND</u>	<u>RECEIVE INDIVIDUAL STIPEND</u>
MAYOR DEVILLE	<u>X</u>	<u></u>
VM SABIN	<u>X</u>	<u></u>
CM ANDREWS	<u>X</u>	<u></u>
CM RYDER	<u>X</u>	<u></u>
CM BROOKS	<u></u>	<u>X</u>

-CM Andrews suggested that any unused money be used for a scholarship or something good for the community, instead of just writing it off each year.

-TC Cooper explained this line item can only be used for the Town Council's discretion as it has always been listed and the unused money will reset every year. She stated she will check with the auditor on what the unused money could legally be used for and/or saved up for.

-B. Brower stated this is definitely a required line item and any unused monies will stay in the general fund to be redistributed in the following year.

- CM Ryder asked if the municipal training is still ongoing, since the COVID epidemic.
- TC Cooper stated yes and many training webinars are online. However, the state conferences are still in person and offer many in person training sessions.
- CM Andrews stated someone from the Town Council should attend these conferences. He asked the Finance Committee to revisit the issue of the remaining balances and a possible use for them.
- TC Cooper stated that the Mayor has attended all of them, this past year.
- G. Larson suggested the remaining monies be used for the Centennial celebration fund.
- TM Cooper stated there is a line item for special events and will follow up on what that money could possibly be spent on.

**No further questions or concerns*

-----5 Minute Break-----

SECTION 4: GENERAL FUND – REVENUE / EXPENDITURES (See lists)

-TC Cooper explained the new format for all of the fund lists, they will show the FY 22/23 year budget; the actual FY 22/23 budget - with the last two months averaged; new FY 23/24 proposed budget; and the increase or decrease for the new FY 23/24.

-TC Cooper reviewed each line item in the General Fund Revenue list and explained all new line items, including new grants the Town will be applying for.

-CM Andrews expressed his dissatisfaction with the new impact fees on renovation additions for current homeowners.

**No further questions or concerns*

-TC Cooper reviewed the July 31, 2023 bank balances for the two checking accounts located in this fund.

**No further questions or concerns*

-TC Cooper reviewed all of the line items in the General Fund Expenditure lists and explained the percentage of increases and all new line items.

-TC Cooper explained the increase of 9.4% in Health Insurance and the way the insurance company (AETNA) has changed the plan. She stated last year everyone had the same rate, but this year they are charging by age and the rates are different for everyone.

-TC Cooper explained the Workers Compensation which is split in two areas of the General Fund has increased by 3%, for the new fiscal year.

-TC Cooper stated the auditing expense has increased significantly. She also stated the Auditor has not raised rates for over ten years and the Town can anticipate incremental increases in the upcoming years.

-TC Cooper reported the Property insurance for the Town has increased by 55%. The Town gets its insurance through the Florida League of Cities (FLC) – Florida Municipal Insurance Trust (FMIT) program.

She explained the increase is because they have suffered huge losses from previous hurricanes that have hit Florida.

-TC Cooper explained the new Cybersecurity line item that is now required in the Town's overall insurance and reported the projected cost for it.

-TC Cooper explained the new line item for Unemployment regarding ex-employee, Trevor Nettles. She stated she is still receiving quarterly bills for this employee. She stated she has called the State and the Town will need to send a letter to protest this item.

-TM Cooper stated if the State does not accept the letter to discontinue this expense he will refer this to the Town Attorney because he feels the Town should not continue paying this item.

-TC Cooper reviewed the public works salaries and explained the General Fund percentages of each employee for the new fiscal year.

-CM Andrews asked why employee, George Jacobs payroll jumped significantly.

-TC Cooper explained that this employee has not worked a full year yet and the expense shows the difference.

-TC Cooper explained there is a 9% increase for the Town's automobiles insurance for the new fiscal year.

-Mayor DeVille inquired about the Town's bucket truck and how much maintenance it needs.

-TM Cooper stated this 20 year old truck is expensive to run and he will be asking permission to sell this vehicle, at the next Town Council meeting. He stated it is safer and less expensive to rent a lift to handle the few jobs this truck was to be used for.

-TC Cooper explained that fuel increased significantly and even though the Town piggyback's off of the Clay County School Board's costs, the town can expect these costs to continue to go up.

-TC Cooper explained the new line item for the Traffic Signal Light Maintenance. She reported the Town has an inter-local agreement with Clay County to maintain and repair our traffic light. She stated invoices come from the County quarterly and the Town receives compensation from the State to maintain that light. She stated the Town receives about \$750.00 annually, after all expenses were paid to the County for their work.

-TC Cooper stated the Training expense was increased because the Town Manager wanted a couple more certifications completed.

-TM Cooper explained that he intends to continue training with our employee Josh Young to be a certified backflow preventer, and in Code Enforcement. He intends to save the Town money by doing our own required backflow preventer checks every year and once the Code Enforcement is completed, we can move people living in sheds out of the community.

-TC Cooper explained the General Liability insurance for the Town increased 6.75% for the upcoming year.

-Audience Member, Judge McWhorter asked if the repair and maintenance for the parks, include the Pickleball courts?

-TC Cooper stated that yes, it does.

**No further questions or concerns*

SECTION 5: WATER UTILITY FUND – REVENUE / EXPENDITURES

-TC Cooper reviewed the Water Utility Revenue line items and reminded the Town Council that the Water Utility does two (2) increases a year. One in the spring, which is the Consumer Price Index (CPI) increase which is for both water and sewer; and second, in the fall, there is an increase in sewer only, based on the Clay County Utility Authority's (CCUA) increase, which is just a pass through cost to the customers and will be reflected in the Wastewater/Sewer Fund line items.

-TC Cooper always allows for two (2) new water connections; and two (2) new account fees annually.

-TC Cooper stated that the solid waste revenue was slightly increased due to the new rates passed last month. She also explained she accounted for at least two (2) special pick up charges which are \$50.00 each plus disposal costs.

**TC Cooper noted that all three funds have come in under budget and the staff hopes to continue this trend and remain conservative in spending.*

**No further questions or concerns*

-TC Cooper reviewed the salaries of each employee.

-TC Cooper explained the Professional services includes US Water that takes care of the operations and reporting for the Water Utility. She stated those costs have doubled in the past year and the new expense reflects the same.

-TC Cooper explained the auditing expense is divided in all three funds and the amount of \$1,500.00 is the water utility portion of this expense.

-TC Cooper stated the Water Utility is anticipating more required labs in the upcoming year and those expenses are listed.

-TC Cooper stated the expense for landfill disposal charges increased because those costs have gone up from \$55.00 to \$70.00 per ton.

-TC Cooper explained that once the line items were set in the water utility expenses, the remainder will be put into the Water Utility reserves. She stated in the next fiscal year \$33,322.00 will be put into the reserves; which will be reflected on each month's expenses as \$2,776.83.

**No further questions or concerns*

SECTION 6: WASTEWATER/SEWER FUND – REVENUE / EXPENDITURES

-TC Cooper reviewed the revenue line items and stated we are anticipating more revenue, due to the annual increases.

-TC Cooper stated she always anticipates two (2) new sewer connections, as in the water utility.

-TC Cooper also stated she anticipates a little more interest to be earned and that reflects on the amounts listed for those items.

**No further questions or concerns*

-TC Cooper reviewed the salaries in the Sewer Fund and the breakdown of those expenses.

-TC Cooper showed the auditing expenses for the sewer fund.

-TC Cooper explained the increase in the utilities expense, which has been indicated in all three funds.

-TC Cooper explained the CUA Costs are anticipated to increase in October (8.1%) and that is why this expense was significantly higher. She stated this is a pass through to customers and will increase the average water bill by \$2.54.

-G. Larson asked if irrigation meters should be considered.

-TM Cooper stated this would take revenue away from the Town, the meters are expensive and it would involve a lot more work to read two meters.

-TC Cooper reminded the Council that the Town still has a debt service, a state revolving loan for the sewer line installation, from back in 2008. This is an expense of \$35,292.00 a year, which is paid twice a year. She stated the Town always puts \$2,941.00, per month, into the Wastewater Restricted bank account and makes sure there is a year's worth of payments in the bank at all times.

-TC Cooper explained again, that after all expenses were designated, the remaining balance will go into the utility reserve. She stated in the next fiscal year \$21,109.00 will be put into the reserves; which will be reflected on each month's expense as \$1,759.08.

**TC Cooper noted our utility reserves have come a long way since the Town Manager began putting money away and the Town is in better shape for it. She further stated that in the next fiscal year, the Town is anticipating an additional \$54,431.00 being put into the utilities reserves from both the water utility and the Sewer Fund.*

**No further questions or concerns*

SECTION 7: COPY OF THE PROPOSED 2022-2023 BUDGET ORDINANCE; (ORDINANCE 2022 - 01);
1ST READING – SEPTEMBER 18, 2023 at 7:00pm; 2ND READING – SEPTEMBER 27, 2023 at 7:00pm

-TC Cooper reminded the Council Members of the important dates for the upcoming Budget Hearings. She stated this Ordinance is a summary of all the funds line items that were just reviewed.

-TC Cooper explained the little codes noted throughout the revenues and expenditures are separated and totaled in different categories, to be included in this Ordinance. She reviewed the category totals for each of the three (3) funds with their corresponding cash and reserves.

-TC Cooper explained a roll call vote will be called for at both hearings.

-Mayor DeVille asked if the public works crew are being adequately paid to avoid a turnover situation.

-TM Cooper stated he thinks the Town pays fairly and will come to the Town Council if the needs change.

**No further questions or concerns*

SECTION 8: COPY OF THE LEGAL AD OF THE 2023 - 2024 FY BUDGET THAT IS REQUIRED TO BE PLACED IN THE NEWSPAPER; HAS TO BE ADVERTISED

-TC Cooper explained this legal advertisement is a snapshot of the same information listed on the proposed Ordinance. This information will be posted for the public to view at any time.

**No further questions or concerns*

SECTION 9: 2023 CAPITAL PROJECTS LIST

-TC Cooper reviewed and explained all of the Capital Projects List for FY 2023-2028, which includes projects for the Five Year Capital plan. She stated each project listed has a funding source, when possible.

-TC Cooper reminded the Council Members the majority of the funding for these projects come from grants and encouraged them to add items, if they wish too.

-Audience Member, Judge McWhorter asked how the rescreening of the Playground Pavilion was paid for?

-TC Cooper stated the rescreening was paid for with the state grant we just closed out.

**No further questions or concerns*

SECTION 10: COMPLETED PROJECTS 2020-2023

-TC Cooper reviewed the capital projects which were completed in the past fiscal year and stated we have done a little bit each year, we just have to keep saving and keep moving forward.

Mayor DeVille and CM Ryder thanked the Town staff for a great package and all their efforts!

**No further questions or concerns*

Refreshments were served.

There being no further questions or concerns, the meeting was adjourned at 11:25AM by Mayor DeVille.

A handwritten signature in blue ink, reading "Mayor Thomas E. DeVille". The signature is written in a cursive style with a horizontal line underneath the text.

Mayor, Thomas E. DeVille, Presiding