

TOWN OF PENNEY FARMS
TOWN COUNCIL BUDGET WORKSHOP
For Fiscal Year 2020/ 2021

Minutes

Meeting Friday, July 31, 2020 9:00am at Town Hall

VIRTUAL MEETING

Start Time: 9:08am

Present: Mayor Paul Sabin; Vice-Mayor (VM) Elizabeth Ryder, Council Member (CM) Adrian Andrews, Council Member (CM) Mickey Taylor, Council Member (CM) Tom DeVille, Town Manager (TM) Dave Cooper; Town Clerk (TC) Anita Cooper

Absent: None

Additional Audience: Finance Committee members Susan Kimsey; Bill Brower; Tom Ryder; Paul White

**** According to the Florida Municipal Officials Manual: Although citizens are allowed to attend all meetings of the public body, there is no requirement that citizens be allowed to participate in these meetings. Citizens are permitted to participate at public hearings and legislative meetings, such as the Town Council meetings. ****

-Mayor Sabin stated the Finance Committee members are attending today as a resource to the Town Council, as usual, during the budget process.

-Mayor Sabin announced the following dates to be recognized and noted by all, for upcoming Town meetings:

-Additional Special Finance Committee meeting on Monday, August 10, 2020 at 10:00am

-3rd Quarter Town Council Workshop on Friday, August 14, 2020 at 9:00am

- Regular Finance Committee meeting on Monday, August 17, 2020 at 10:00am

-Regular Town Council meeting on Wednesday, August 19, 2020 at 7:00pm (Changed, due to the election being held on Tuesday)

-Mayor Sabin stated the Finance Committee will be prepared to bring a recommendation to the Town Council meeting in August. He stated the official voting on the new fiscal year budget will be made at the Public Hearing and First Reading of the Budget Ordinance on September 15,

2020; and then the second and final public hearing and voting will take place on September 29, 2020.

-Mayor Sabin stated he wanted everyone to be on the same page to understand the process and the time frame, in which the new fiscal budget will be decided. He further stated he will be asking each Council member for their opinions and if they have any questions.

-Mayor Sabin turned the meeting over to the Town Clerk.

-TC Cooper stated that the information provided at this meeting is for the first draft of the Fiscal Year 2020/2021 Town of Penney Farms budget and is subject to change based on the Town Council's decisions. She reviewed the supporting documentation attached. She further stated this budget was derived using the bank balances from June 30, 2020 and using the current 2020 Ad Valorem roll back millage rate. She reviewed the Agenda:

All Town Council Members, staff, and Finance Committee received a budget package (Attached) that included the following:

- 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 2020/2021
- 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

TABLE OF CONTENTS BY SECTIONS:

SECTION 1: GENERAL FUND – REVENUE / EXPENDITURES

SECTION 2: WATER UTILITY FUND – REVENUE / EXPENDITURES

SECTION 3: WASTEWATER/SEWER FUND – REVENUE / EXPENDITURES

SECTION 4: ALL BANK ACCOUNT BALANCES USED ARE AS OF JUNE 30, 2020

SECTION 5: COPY OF THE PROPOSED 2020 - 2021 BUDGET ORDINANCE; (ORDINANCE 2020- 02);

SECTION 6: COPY OF THE LEGAL AD OF THE 2020 - 2021 FY BUDGET THAT IS REQUIRED TO BE PLACED IN THE NEWSPAPER; HAS TO BE ADVERTISED

SECTION 7: COPY OF THE CURRENT CAPITAL PROJECTS LIST / PROJECTED CAPITAL PROJECT LIST

-Mayor Sabin turned the meeting over to the Town Manager who reviewed the Town's seven (7) bank account balances as of June 30, 2020, which will be used for purposes of creating this first draft of the new fiscal year budget.

***Please refer to the Quick Reference Bank Account Information Sheet as of June 30, 2020.**

-TC Cooper reviewed the following item:

COUNCIL MEMBERS STIPEND

At every Budget Workshop, there is discussion on whether the Council Members would like to receive their individual stipend or keep it as a Council Reserve Fund to be used at their discretion. The fund is used to attend the Florida League of Cities dinners, go to conferences and/or attend any kind of municipal training, etc.

- *FLC Dinners are \$25.00 for each person
If the members choose to receive their stipend they will have to pay \$25.00 out of their pocket to attend the FLC dinners, unless they are on the Board of Directors for the League.*
- *Various costs for conferences and educational training*

INDIVIDUAL - \$107.65 Per Month = \$1,292.00 per year After taxes: \$ 99.04 per month

- *Keep in mind that taxes will be taken out and the stipend should be reported as earned income.*

TOTAL COUNCIL RESERVE FUND - \$6,975.00

TC Cooper reported the amount used in FY 2019/2020 so far was \$1,374.49.

TC Cooper stated this decision does not require a majority vote. This can be an individual choice and the rest combined if so desired.

-Mayor Sabin asked each individual Council Member on their decision. The results are as follows:

	<u>LEAVE AS COUNCIL RESERVE FUND</u>	<u>RECEIVE INDIVIDUAL STIPEND</u>
MAYOR SABIN	_____X_____	_____
VM RYDER	_____X_____	_____
CM DEVILLE	_____X_____	_____
CM ANDREWS	_____X_____	_____
CM TAYLOR	_____X_____	_____

-TC Cooper stated that at the September 15th Town Council meeting a formal motion will be needed as follows:

A MOTION FOR THE TOWN COUNCIL MEMBERS TO DESIGNATE THEIR 2020/2021 STIPEND AMOUNTS TOTALING \$6,975.00, TO BE USED AS A COUNCIL RESERVE FUND, TO BE USED AT THEIR DISCRETION.

1ST _____; 2ND _____

TOWN REVENUE TRACKING

-TC Cooper reminded the Town Council the revenue tracking began in January 2020 during the current fiscal year. She explained the Ad Valorem tax revenues and Building Permit revenues are kept in the General Fund and the capital projects listed for 2019/2020 were finally approved in March of 2020.

She reviewed how the Town is tracking all of the revenues located in the General Fund. She began with the first tracking sheet:

***Please refer to the 2019/2020 General Fund Revenue Tracking Sheet attached**

-Finance Committee member, T. Ryder asked if the net revenue for the building permits for the first three quarters of 2019/2020 included the salaries for the staff.

-TC Cooper confirmed the net revenues include all expenses, including the staff salaries.

***Please refer to the 2020/2021 General Fund Revenue Tracking Sheet attached**

-TC Cooper continued with the new tracking sheet and reminded everyone this is the first draft of the budget and the Town Hall went with the roll back rate (4.9634) for the 2020 Ad Valorem taxes to provide a starting point for the new fiscal year budget. She pointed out to the Town Council to review the millage rate sheet attached, which shows revenue to be derived from a 3.0 millage rate to a 5.0 millage rate, broken down by .5 increments. She stated the estimated revenues are listed for each. She stated that all of the items listed on this sheet are subject to change based on the Town Council's decisions.

-TC Cooper explained the purpose of the roll back rate is for the Town to receive around the same amount of tax revenue received in the previous year.

-TC Cooper explained the Town Manager picked capital projects that were requested on the capital project list and cover different areas of Town to service more residents.

-TM Cooper explained the Town now has the sidewalks all GIS'd and know where the problem areas are. He indicated on this report to allow \$10,000.00 be put towards the repair and/or replacement of the problem areas of sidewalks.

-TM Cooper also noted that although it is not on this report, the Town needs to purchase a new utility truck. He stated it is on the capital list for \$65,000.00, as a priority and requested this to be a direct purchase out of the General Fund. He showed the Town Council a picture of the type of truck he is asking for. He stated the purchase of this truck would allow the Town to pull their own pumps when needed and not have to use an outside vendor, thus saving money, as well as have a vehicle stocked with the parts and tools needed for a variety of repairs. He reminded the Town Council the Town needs to retain at least \$400,000.00 in the General Fund at all times, if possible, and this would be the time to make the purchase. He further stated he would sell the old dump truck, the Ford Ranger, and old town car and use those receipts towards this new purchase.

-TM Cooper suggested the remaining balance of \$53,605.00 left over in the Ad Valorem tax revenue column be saved for repairing roads that need repaving, such as, Dwight Street and Caroline Blvd from Clark Avenue to Ott Street. He stated the quote for the repaving of Caroline Blvd. would be \$112,000.00.

-TC Cooper explained that the General Fund Bank Balance column shows what the remaining working balance would be after all of the suggested projects are completed.

-CM Taylor asked the Town Manager if the park benches mentioned include the park benches that are located in Passive Park.

-TM Cooper answered with the park benches that are currently in Passive Park will be cleaned and reset back out in that area. He stated the purchase requested are for new benches along the long walking routes of Morton Street and Caroline Blvd.

-TM Cooper stated he tried to include projects that would benefit the most residents.

SECTION 1

PROPOSED 2020/2021 GENERAL FUND REVENUE

*** Please refer to the Proposed FY 2020/2021 General Fund Revenue Sheet**

-TC Cooper stated this budget was slightly more challenging to estimate due the COVID-19 impact on state revenues and franchise fees. She explained the titles for each column and what they represent; the revenue sheet shows last years' budget revenues; the new FY proposed budget revenues; and the increase and/or decrease to each line item, based on the previous year. She stated the projections are based on state revenues provided by the state; averaging conservatively for franchise fees and the rest of the revenues; or noting items providing for the same amounts every year.

-TC Cooper also stated the Town's grants are listed in this section; one for a \$50,000.00 for the playground park upgrade; and the storm water grant – Community Development Block Grant (CDBG), which after the expenses of 2019/2020 has a remaining open balance of \$512,000.00 to finish the project; and finally the Local Grant of \$30,000.00 for renovating the Town's old fire station into the new Town's Historical Museum.

-TM Cooper stated the Town has received an additional \$273,000.00 from the St. John's River Water Management District (SJRWMD) to go along with the CDBG Grant to be able to finish the project.

-TC Cooper also stated that due to COVID-19, the Town's interest revenue will be significantly less than last year.

-TC Cooper reiterated the bottom line numbers are subject to change based on the Town Council's decision on a millage rate.

-TC Cooper stated the total loss expected in state revenues is \$20,835.00; franchise fees will show a loss of approximately \$900.00; and building permit revenues will diminish due to little or no new construction, resulting in a loss of another \$2,500.00. She stated the Town will experience an estimated loss of approximately \$24,235.00, excluding the grants. She stated, overall the Town's proposed budget is decreased by \$33,204.00 from anticipated losses.

-Mayor Sabin asked the Council Members or committee members if they had any comments or questions.

There were no further questions or comments for this section.

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SECTION 1

PROPOSED 2020/2021 GENERAL FUND EXPENDITURES

*** Please refer to the Proposed FY 2020/2021 General Fund Expenditure Sheet**

-TC Cooper stated these expenditures now includes the decision made by the Town Council on the Council reserve fund, which will remain the same. She stated all salaries include salary increases; health insurance, which increased by 12%; and pension costs. She reminded the Council members that

Wendy's – (Water Administrator) salary is located in the water and sewer portions of the budget. She also reminded the Council members the public work employees' salaries are split between this fund, and the water and sewer funds. She stated the percentages are indicated next to the particular employees' line item. She further noted that the Grant Writers salary was doubled in the new fiscal year.

-TM Cooper stated even though the insurance has increased, the total health care costs for the Town are lower because the new hires are younger and he, himself has gone onto Medicare.

-TC Cooper stated the Town's Florida Municipal Insurance Trust costs were increased by 4%. She stated the line items affected include the Workers Compensation expenses; property insurance; auto insurance; and general liability expenses.

-TC Cooper stated the overall expenses show a significantly lower amount of expenses, but be aware the capital project costs vary from last year and really can't be considered a part of the bottom line, that is why they are marked with an "N/A" next to them, in the increase or decrease column.

-TC Cooper noted the Capital Outlay – Unrestricted Capital – line item is the last line in the budget to be computed. She stated that all other expenses are plugged in and if there is anything left, it goes in this line item.

-TC Cooper reviewed the proposed capital projects that are listed based on their corresponding revenue source.

-TC Cooper stated there is an overall decrease in the total budget of \$85,030.00 for the new fiscal year.

-Mayor Sabin asked the Council Members or committee members if they had any comments or questions.

-Finance Committee member, Susan Kimsey asked if the line item for auto insurance includes costs for the purchase of the new truck if approved.

-TC Cooper stated no, it is not included at this time, that amount will change if the truck gets approved.

There were no further questions or comments for this section.

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SECTION 2

PROPOSED 2020/2021 WATER UTILITY REVENUE

*** Please refer to the Proposed FY 2020/2021 Water Utility Revenue Sheet**

-TC Cooper stated the water utility is anticipating a \$13,000.00 increase in revenue this year. She further stated the Town allows for 2 new water connections every year for new construction and the other line items will remain the same as last year.

-TC Cooper noted the garbage fees are expected to be the same; the special pick up fees have increased by \$25.00, approved earlier this year; and the Town is expecting a lower amount of revenue for the solid waste franchise fees, due to the lower new construction expected, resulting in an \$800.00 loss in solid waste franchise fee revenue.

-TC Cooper stated the overall 2020/2021 water utility revenues have increased by \$9,955.00.

-Mayor Sabin asked the Council Members or committee members if they had any comments or questions.

-TM Cooper announced to the Town Council that the Town of Penney Farms has won the top Small Water Utility award for the entire State of Florida from Florida Rural Water Association (FRWA) for 2020.

-VM Ryder would like to do an article in "Penney for your Thoughts" about the Town winning the award.

There were no further questions or comments for this section.

SECTION 2

PROPOSED 2020/2021 WATER UTILITY EXPENDITURES

*** Please refer to the Proposed FY 2020/2021 Water Utility Expenditure Sheet**

-TC Cooper reviewed the line items with the Council Members.

-Mayor Sabin commented the new employees have saved the Town overall in costs, but wanted to know that the employees were started high enough to keep the employees.

-TM Cooper assured the Council Members he has checked into the wages around locally and we are in a good range for competent and quality employees.

-CM Andrews asked if the Town is using the Ways Determination Rate (WDR) provided by the state to determine salaries?

-TM Cooper stated he has not used that salary tool, but will check into it and report back to him.

-VM Ryder wanted to know the entire salary amount for all of the employees for the Town.

-TC Cooper reported the total cost for all the employees' salaries is \$272,722.00, without benefits. She stated the total salaries are \$17,000.00 less than last year.

-CM Taylor asked how many employees that work at the Town, actually live in the Town.

-TM Cooper stated that no town employees live in town, except for Cathie Parrott and the members on the Town Council.

-TC Cooper reported that once all expenditures were figured, the remaining amount is out in the Water Reserve line item. She reported if this budget is approved, the Town would put \$1,965.08 monthly into the reserves, totaling \$23,581.00 for the year, from the water utility.

-TC Cooper reported to the Town Council that this year (2020), the Town finally hit having \$100,000.00 in its water utility reserve. She stated it took five years to accomplish this amount.

-Mayor Sabin asked the Council Members or committee members if they had any comments or questions.

There were no further questions or comments for this section.

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SECTION 3

PROPOSED 2020/2021 WASTEWATER/SEWER REVENUES

*** Please refer to the Proposed FY 2020/2021 Wastewater/Sewer Revenue Sheet**

-TC Cooper stated there is a slight reduction in revenues based on the average estimated for this budget.

-TC Cooper reviewed all line items with the Council Members and reported due to the reduction in income and the interest revenue this fund will be losing approximately \$1,130.00.

-Mayor Sabin asked the Council Members or committee members if they had any comments or questions.

There were no further questions or comments for this section.

SECTION 3

PROPOSED 2020/2021 WASTEWATER/ SEWER EXPENDITURES

*** Please refer to the Proposed FY 2020/2021 Wastewater/Sewer Expenditure Sheet**

-TC Cooper reviewed all of the line items with the Council Members and pointed out that the monthly amount projected to be put in the utility reserves from the sewer is \$929.00, which equates to \$11,158.00 for the year. She commented that if this budget gets approved there would be a total of \$34,739.00 put into the water utility reserve from the Town's enterprise funds, including both water and sewer.

-TC Cooper reminded the Council Member the Wastewater Restricted – Department of Environmental Protection state revolving loan is located in this fund because it is all sewer related. She stated the amount of \$35,292.00 is paid every year.

-CM Taylor asked where is the expense for the new truck listed in this budget?

-TC Cooper stated it is not listed in this first draft of the budget because the Town Manager had to request it first from the Town Council and it would be a one-time direct expense paid in full out of the General Fund.

-Mayor Sabin asked the Council Members or committee members if they had any comments or questions.

There were no further questions or comments for this section.

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SECTION 4 - BANK STATEMENTS

*** Please refer to the Quick Reference Bank Balance Sheet**

– TC COOPER STATED ALL TOWN BANK ACCOUNT BALANCES USED FOR THIS PROPOSED BUDGET WILL BE FROM THE JUNE 30, 2020 BANK STATEMENTS AND WERE DISCUSSED EARLIER IN THIS MEETING.

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SECTION 5

COPY OF PROPOSED 2020/2021 BUDGET ORDINANCE (ORDINANCE 2020-02)

*** Please refer to the Copy of the Budget Ordinance 2020-02**

-TC Cooper explained to the Council Members the notations on each one of the previous revenue and expenditure sections are compiled and put into this Ordinance, in accordance with their corresponding funds.

-Mayor Sabin asked the Council Members or committee members if they had any comments or questions.

There were no further questions or comments for this section.

SECTION 6

COPY OF PROPOSED 2020/2021 BUDGET LEGAL AD

*** Please refer to the Copy of the Legal Ad for the proposed 2020/2021 Budget**

-TC Cooper explained this is the legal ad that will appear in the Clay Today newspaper regarding the Town's 2020/2021 Budget.

-TC Cooper stated the only different feature this year is the ad will include the Town's website information to inform the residents on how to participate virtually in the public hearings and Town Council meetings regarding the proposed 2020/2021 budget.

-Mayor Sabin asked the Council Members or committee members if they had any comments or questions.

There were no further questions or comments for this section.

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SECTION 7

COPY OF THE CURRENT CAPITAL PROJECT LIST /PROJECTED CAPITAL LIST

*** Please refer to the Copy of the (2) Updated Capital Project Lists dated 07/31/20**

-TC Cooper stated this is the most current update capital projects list where the suggested capital projects for the new fiscal year were pulled from. She explained the items highlighted in pink are the projects submitted for the new fiscal year and the blue highlighted projects are already in progress.

-TM Cooper stated when choosing the submitted projects, he tried to pick items from different areas to submit to spread out the projects as evenly as possible.

-TC Cooper stated there is a second capital project list submitted by finance committee member Bill Brower, using the original capital project list and includes a five year capital plan listing source revenues and other pertinent information.

-TC Cooper stated this is all of the proposed 2020/2021 information submitted to the Town Council for the first draft. She stated it is now the Town Council turn to discuss what they would like to approve or not approve.

-Mayor Sabin confirmed the Town meetings are now being held virtually indefinitely. He asked is it totally out of the question to hold a meeting in person somehow, like in the park, or something where the public can participate in person?

-TM Cooper stated it is not likely.

-TC Cooper stated the technology (ex: wifi and internet capabilities) would be impossible to record the meeting in the park as required and you would be subject to the weather.

-Mayor Sabin expressed his concern that every resident should have an opportunity to participate in this process. He stated he understands that the Town can not limit or restrict the public's attendance and wanted to know if any other Council Member had a comment about this subject..

-CM Taylor stated knowing the Town Hall can not accommodate the social distancing guidelines, this will be helpful information, if anyone asks her why the meetings will be held virtually.

-Mayor Sabin thanked Bill Brower; the Town Manager and the Town Clerk for a job well done in preparing the new budget and presenting such a comprehensive report.

-CM Andrews agreed.

-VM Ryder agreed.

-TM Cooper stated how much he appreciates the support of the Council Members and the Finance Committee.

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-TC Cooper stated this was the first draft of the 2020/2021 fiscal year budget and now the discussions or approvals begin. She asked the Council Members if this budget will work for them.

-CM Andrews asked if the Town bought a new truck last year.

-TM Cooper stated no, it was discussed, but never approved.

-TC Cooper reported the last truck that was purchased by the Town was the new dump truck in 2017.

-CM Andrews asked if the \$65,000.00 includes the boom on the truck as shown in the picture presented earlier.

-TM Cooper stated yes, this amount would be enough to fully equip the truck.

-CM Taylor stated it would be important to clarify that no truck was purchased last year. She also stated it should include the Town of Penney Farms decal on it.

-VM Ryder stated this would be a better truck to help manage the Town better.

-CM DeVille commented that winning the best water in Florida award speaks volumes for a job well done by the Town Manager and staff.

-CM Andrews asked if the motion for purchasing the new truck will be at the next Town Council meeting.

-TM Cooper stated, yes.

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-TC Cooper clarified with everyone the upcoming meeting dates and discussions will continue at the next Town Council Workshop. She asked that everyone review their packages and don't hesitate to call the Town Hall with any questions or concerns.

-CM Andrews requested that public notices be put on the Town's bulletin boards announcing the change of date for the Town Council meeting.

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There were no further questions or discussions, the meeting was adjourned.

The meeting adjourned at 11:15 am.

Mayor, Paul E. Sabin, Presiding