

LONGWOOD CITY COMMISSION
Longwood City Commission Chambers
175 West Warren Avenue
Longwood, Florida

WORK SESSION
MINUTES

March 11, 2020
4:30 P.M.

Present: Mayor Matt Morgan
Deputy Mayor Brian D. Sackett
Commissioner Abby Shoemaker
Commissioner Richard Drummond
Commissioner Ben Paris
David P. Dowda, Acting City Manager
Michelle Longo, City Clerk
Mike Peters, Fire Chief
Chris Kintner, Community Development Director
Chris Capizzi, Leisure Services Director
Lee Ricci, Human Resources Director
Lisa Snead, Financial Services Director
Shad Smith, Public Works Director
Craig Dunn, Information Technology Director
Rex Grice, Financial & Procurement Analyst

- 1. CALL TO ORDER.** Mayor Morgan called the meeting to order at 4:32 p.m.
- 2. UPDATE, REVIEW, AND DISCUSS BUDGET PROCESS FOR THE FISCAL YEAR 2020-2021.**

Deputy Mayor Sackett moved to suspend the rules and carried by a unanimous voice vote.

Mr. Dowda started the meeting by acknowledging all the hard work staff has done in preparing and Ms. Snead with preparing the presentation.

Ms. Snead went through the Budget Workshop presentation. She said this is our first budget workshop for the fiscal year 2020-2021. The goal of this workshop is to work together to present the progress the City has

made in the last few years, to present the fiscal outlook, and to get clear direction from the Commission heading into the budget process to meet their needs. She pointed out that the City is back in the black for the first time in five years, meaning we brought in more revenue than we spent and that was the first time in nine years that it has occurred without a tax increase.

Mayor Morgan congratulated and thanked all of the City staff for a job well done in contributing to this.

Commissioner Paris noted that the actual vote to raise the millage rate happened in 2012 and went into effect in 2014.

Ms. Snead pointed out the next chart and stated that Longwood is a top growing tax base in Seminole County. The taxable values grew by 9.43% in 2018 and by 7.4% in 2019 in Longwood. As far as our tax base growth goes, we are in the top tier of cities in Seminole County. She said we are more accessible as we are the only city in Seminole County that does Livestream Facebook for Commission meetings. We have a highly active Mayor and Commissioners. They serve on multiple Community boards and are actively engaged with the citizens. We also are a leader in leveraging grant dollars for the environment. We have done septic to sewage conversion projects and we are a model in the state of Florida for this type of project. Others who are looking to do this are directed to Longwood to get guidance on how to do it. We have high citizen engagement with all kinds of events for everybody. We have a lot of staff and employee appreciation, engagement, and team building. This Friday they are doing an 80's night for employees with a dodgeball tournament. The staff has worked hard to put this together with the direction of the Human Resources Director, Lee Ricci. We have happier staff. For the first time in 10 plus years, our public safety staff received pay adjustments placing them in line with the market and this has reduced turnover significantly. We have new parks. The Pump Track, at the Skate Park, is the newest that has generated a lot of excitement. There have been a lot of improvements at Reiter Park that have given us a venue to do all of these events. We have had unprecedented development in the City over the past few years which has helped drive up taxable value growth. Public safety is a top priority for the City. For every dollar that comes into the General Fund, \$0.52 goes towards protecting our visitors and citizens. Most of the money from the General Fund goes towards Public Safety. We have had low expenditure growth. The General Fund expenditures have grown at approximately 3% a year over the past 10 years. We have not exceeded the consumer price index in our expenditure growth. She pointed out that we are faced with challenges on both the national and local levels. She showed a chart of the Government Finance Officer's

Survey of key challenges that other governmental entities have faced throughout the nation and explained what Longwood is doing to address these challenges.

Ms. Snead said the first challenge is declining revenues which has been one of our challenges along with other governmental entities. Luckily, our taxable growth is not declining and has grown at a faster pace of 9.43%. Additional revenue is an area we are always trying to pursue. She gave an example and said, as we become more energy-efficient, the taxes that are placed on utilities that fund our services decline. We always need to look at new ways to try to find revenues for that.

Ms. Snead said the second challenge listed was unstable revenues. Our tax base is now back where it was in 2008 when the bubble occurred which is great news. We are in the process of looking into new revenue sources such as Impact Fees, grants, appropriation bills, and trying to garner more money from the Seminole County Penny Sales Tax for infrastructure.

Ms. Snead said the third challenge is the cost of new infrastructure. We need help and attention towards this area. We need to put more attention to leveraging grants and doing partnerships. We are leveraging low-interest rate loans. Some of our loans are at less than 1%.

Ms. Snead said the fourth challenge is the cost of pension and liabilities. We are in a good fiscal position here. Our pension funds are fully funded and every year we take state warrant funds that come back to us and we put it towards those pensions to help offset some of the burdens that the citizens would have for offering those pensions.

Ms. Snead said the fifth challenge is healthcare costs. We have beefed up our wellness programs in the Human Resources Department. Human Resources has very active safety teams in place throughout the City. She thinks our loss ratios have been very good. She said we are a part of consortiums and we have done competitive processes and will continue to do so to make sure we are getting the best bang for our buck.

Ms. Snead said the sixth challenge is uncertainty with the state government. We will continue to work on this.

Ms. Snead said the seventh challenge is maintaining the existing infrastructure. This is a huge challenge and it is becoming exceedingly costly. We have put band aids on a lot of our equipment but it gets to a point where it is no longer cost-effective. This area needs more attention in the future.

Ms. Snead stated our current budget has a 17% general fund reserve and as of the first quarter we have spent and encumbered 25% so we are right on target. We still have equipment and infrastructure needs. She showed the 2021 Preliminary Projections which identifies that the largest challenge in the city is infrastructure. She explained the next slides and said they showed the breakdown by funds and what we are planning to do to address these issues.

Ms. Snead said for the General Fund, thanks to Chris Kintner and his team, our continued development looks healthy and is continuing to look healthy on the horizon. Mr. Kintner is also working on a Historic District Development Project with the Taurus group which is something that we are looking forward to.

Ms. Snead said for future revenue, we are also looking at cell tower leasing, more attention on grant pursuits, state funding through lobbyists, and appropriations bills. For future consideration, to deal with long-range issues, we may want to explore having the voters decide if they support unfunded infrastructure needs.

Ms. Snead said for the Building Fund, which is a healthy fund, there are questions about whether the internal service charges are appropriate. She suggests possibly doing a study to find out if we are being equitable in the way that we distribute our internal service funds.

Ms. Snead said the Public Facility fund is where the Infrastructure Penny Sales Tax is. We would like to get more money from Seminole County's infrastructure tax because we can spend the funds we receive and produce projects. We are also looking into grant pursuits to get matching dollars. Mr. Smith and Mr. Kintner have already done a lot of that with the help of this Commission and this is something that we want to continue to pursue. Future considerations are to look into the gas tax capacity. As vehicles become more fuel-efficient, gas taxes decline. Those fund our roadways so we have to look at that in the future and see what we are going to do.

Ms. Snead said for the Capital Projects Fund, we are going to work on grants and the Commission is working on an appropriation from the state. We would like to make sure we earmark matching dollars for the fire station. For the other part of those funds, we want to earmark them as well, if we are going to get grant funding or an appropriation, we would need to show some skin in the game from the local government.

Ms. Snead said for the Utility Fund, we are hoping to garner funds from the State. We are now operating in the black so what we need to look at

is whether we can move some of the projects in the regular Utility Fund over to Impact Fees to balance that out. In the future, indexing on this fund will have to be considered.

Ms. Snead said for the StormWater Fund, Mr. Smith will be hiring an Engineer to complete the impervious surface calculations for this fund. This could potentially generate more revenue to cover some of the capital costs in this fund.

Ms. Snead said the last item is the proposed budget calendar for the upcoming cycle for the Commissioners to review.

Commissioner Paris asked if Staff is looking for direction for next year.

Ms. Snead replied yes. She also wanted to plug in the new idea of lobbyists for the upcoming budget process. Further down the road, we want to start exploring things that could potentially bring more revenue in but we are not going to be plugging those into this budget cycle. She said we want to study those more and have more communication with the Commission, and have the new City Manager weigh in on all of this. She said we wanted to make sure we were clear and transparent about the state of the budget and the infrastructure needs. However, we are going to recommend bringing back a budget that is balanced and go from there to see what else we can add to the mix to address some of these issues.

Commissioner Paris said he thinks that is the right direction. There was discussion about lobbyists in the past, but I do not think there was quite the appetite on the Commission and the City Manager during those early times. I think times have changed. He believes a tax increase in millage rate is off the table. He said he thinks alternate funding sources and fire assessments is something worth considering. He is happy with the completeness of the work packet. He then asked what specific direction staff would want the Commission to take on this particular session.

Ms. Snead said she has received clear direction from the Commission. Staff wanted to make sure there was transparent communication about the infrastructure needs. We want to put together a budget that is funded and spend our time working on future solutions to problems.

Commissioner Paris said the legislative session ends on the 13th which may be extended a day or two because the budget has not landed in the governor's office. We will find out quickly if our appropriation for the fire station went through giving us a clearer picture of how we will be moving forward with that fire development. He said Longwood should consider

having a lobbyist to be up in Tallahassee looking after our interests, knocking on doors, and putting together coalitions. We have seen local and Central Florida bills are doing very well. The possibility of Jason Brodeur winning a senate seat would give a friendly face for Longwood and a powerful position for Seminole County in Tallahassee. These are things we need to consider moving forward. There will be changes in the landscape and I believe it would be beneficial for the City.

Mayor Morgan asked Ms. Snead if we could put a fire assessment or a bond referendum out to the public.

Ms. Snead said yes, this is something that can be decided by the voters. She would like to take this to her staff to discuss further and bring back to the Commission.

Mayor Morgan said he wants the residents to have a say in the decisions they make. He then asked if there is a sunshine date on a bond referendum.

Ms. Snead said there can be.

Mayor Morgan said he brought up a lobbyist to Mr. Williams and Mr. Cox. He is in favor of a lobbyist.

Commissioner Drummond mentioned hiring a consultant to go after the grants that are still out there, especially for Public Safety because both the Fire and Police Chief are having issues with equipment that is worn out, outdated, and no longer serviceable.

Commissioner Paris agreed with hiring a consultant.

Commissioner Drummond also mentioned the issue of having a rate increase for waste management. He thinks we need to go out for bid because it has been several years since this has been done. We probably need to put bids for contracts on a two-year rotation.

Discussion ensued on recycling, how recycling is handled, what has changed and what we should do.

Deputy Mayor Sackett said that in the past they have had lobbyists and fee assessments and these have failed miserably. Fee assessments are an issue for the older population. Regarding fee assessments for the Fire Station, he wants to see an overview that shows salaries, overtime, and what is needed. He said Longwood deserves a good fire station with good equipment. All public safety people do. We have to figure out what to do

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