

Town Of Havana

FY2025 – 1st Budget Workshop

July 9, 2024 – 6:00 pm

Meeting minutes

Call to Order

The meeting was called to order by Mayor Loughmiller at 6:01 pm.

Roll Call

A roll call confirmed the presence of the following council members including Lawrence Reed, Matt Wesolowski, Tabatha Nelson, Penny Key and Mayor Loughmiller, ensuring a quorum for the meeting. Absentees were Mayor Pro Tem Eddie Bass and Councilman Seymour.

Recognition of Visitors

No visitors recognized.

Request to Approve Minutes

None.

Old Business

None.

New Business

Budget Discussion

Ms. Wilkerson provided an overview of the items listed in the agenda and answered the Town Council's questions regarding all items. Budget items that were discussed include but were not limited to the following: *Please note that this is intended to be a rough draft and will change before the final budget is produced. The budget attached is not balanced, not intended to be final and feedback from this workshop will alter the budget.

1. Discuss and identify (for vote at the 7/30/2024 meeting) an acceptable maximum Proposed Ad Valorem rate increase.
2. Discuss Budget shortage; ongoing issues
3. Salary increases, new positions, holding positions open
4. Ideas to increase revenue and reduce expense going forward

Millage

Ms. Wilkerson is recommending that the Council set FY2025 Millage at no less than 3.000 mills. This is an increase of .50 mills over FY2024 rate of 2.5 mills. This increase would create a net increase of **\$82,005**. The manager stated that the Town can lower the millage before finalization of the budget but if the Town decides to go higher than the millage certified with Department of Revenue at the July 30, 2024 meeting, this will require an added expense to the Town of advertisement and time. The manager also made note that the vote must be unanimous in order for the millage to be certified. With this requirement, it is necessary for all the council to be in attendance at the July 30, 2024 meeting. Tentative dates for the Public Hearing are 9/9/2024 & 9/23/2024. The timing and sequence of these meetings are important as we are required to coordinate with the County and School Board to prevent conflicts. The council will vote on these dates at the July 30, 2024 meeting.

Ms. Wilkerson gave report of current millage rates in Gadsden County. Councilman Wesolowski inquired as to other municipalities. Ms. Wilkerson gave report that it depends upon the municipality and their structure. The manager reviewed scenarios of millage comparing 2.5 to 3.0 millage considering the cost of the home. This money is for the Town of Havana. The draft budget is based upon 3 mills. If council votes to go lower, the Town will need to make up that difference. Concerns from Councilwoman Nelson to the 3.0 mills due to the Homeowners Insurance issue that is affecting citizens. Councilman Wesolowski asked for confirmation that if it is set at 3.0, they can vote to go lower prior to final budget approval. Ms. Wilkerson confirmed. Ms. Wilkerson stated that Gretna is annexing and that is an opportunity for the Town to bring in more tax revenue. After general discussion, the council agreed to 3.00 max millage for this budget cycle.

Fire Services

Ms. Wilkerson gave report that there has been no response officially from the county. It is her understanding that the county is staffing Greenshade with EMS staff and responding to EMS calls with a fire truck. All large equipment and uniforms are purchased out of HVFD funds.

Police

Ms. Wilkerson stated that due to budget restraints that she is recommending to hold off filling the current vacant position. She emphasized that the police department had cuts last year as well and this decision is not an easy one because our law enforcement is vital to the community.

The manager reiterated that the Town has zero spending allowance in the FY2025. She is going to formally propose rate increases at the July 30, 2024 meeting. Also, the Town has not increased Tap Fees in over 20 years and these fees need to be increased in order to cover costs. An example provided was Gas Tap is currently \$500.00 and the current estimated cost is \$220.00. Ms. Wilkerson stated an option is to create an initial down payment and upon completion of project, the Town could bill customer for overage or refund any overpayment. The Town needs to increase Zoning Fees also in order to cover the costs. Other electric companies set electric rates on a Tier model. This model is that lower consumption = lower rate and higher consumption = higher rate. However, after discussion with Town Attorney and considering Havana, this model would impact those individuals living in older homes with poor insulation and windows, mobile homes with window units and housing where window units are used. This model has the potential to impact Havana in a negative way for our already economically challenged citizens.

Ms. Wilkerson is going to be recommending rate increase in order for the Town to continue offering the services. Budget is already lean and the Town has to create revenue in order to balance the budget or the alternative is to cut staff and/or services. Councilman Reed inquired as to other small municipalities and Ms. Wilkerson stated that it depends on what they offer. Some have electric only, Chattahoochee does not outsource their sewer, Greensboro is currently struggling financially also and Midway has good ad valorem due to volume of commercial customers. Mayor Loughmiller recommended implementing a land clearing fee for new construction as an opportunity to increase revenue. Councilman Reed inquired in to opportunities for annexation. Ms. Wilkerson reported that annexation is good if the properties annexing have taxable value that will increase adalorem and not cost the Town. The Town of Havana's benefits that are offered to citizens annexing are Fire & Law Enforcement Protection. She also reported that involuntary annexation is considerably more costly in Admin & Legal for the Town compared to voluntary annexation.

The manager emphasized again the importance of all council members attendance at the July 30, 20204 meeting and also the importance of reviewing the draft budget and welcomes any suggestions/conversations.

Recognition of Each Council Member

None.

Motion to Adjourn

Councilwoman Nelson made motion to adjourn the July 9, 2024, Budget Workshop meeting. Councilman Wesolowski seconded, and motion carried.

Mayor Loughmiller adjourned the meeting at 7:17pm.



TIMOTHY LOUGHMILLER, JR, MAYOR

ATTEST:



Shrylan R. Alexander, Town Clerk

