

HAVANA TOWN COUNCIL
FY2024 - 2nd Budget Workshop
August 15, 2023 @ 6:15 p.m.

Due to the absence of both the Mayor and Mayor Pro Tem a vote was held to nominate a Mayor Alternate Councilman/Councilwoman to run the meeting. Nomination recommendation was made by Councilman Bass to elect former Mayor Pro Tem Nick Bert and Seconded by Councilwoman Nelson. Motion carried.

The council meeting was then called to order by Councilman Bert at 6:15 p.m.

Invocation: N/A

Roll Call:

Member(s) Present: Tabatha Nelson, Nick Bert, Lawrence Reed, Eddie Bass and Kendrah Wilkerson (Town Manager)

Member(s) Absent: Tim Loughmiller (Mayor), Dwight Vickers (Mayor Pro Tem) and Penny Key

VISITORS: N/A

OLD BUSINESS: N/A

NEW BUSINESS: Budget Draft

Budget Presentation -

The Town Manager provided an updated overview of the items discussed in the previous Budget Workshop and answered the Town Council's questions regarding all items relative thereto. *Please note that this is a rough draft and maybe be adjusted before the final budget is confirmed and voted on next month*. Budgetary items that were discussed included but were not limited to the following:

1. Discuss and identify (previously reviewed at the 7/25/23 meeting) an acceptable maximum Proposed Ad Valorem rate increase

2. Discuss fire service expenses and the potential for a Fire Service Fee
3. Salary increases, new positions, holding positions open
4. Ideas to increase revenue and reduce expense going forward
5. Special Revenue Funds Budget

Millage

Kendrah Wilkerson (Town Manager) recommends that the Council set FY2024 Millage at no less than 2.50 mills which would equate to \$239,488. Please note - to increase the millage from 2.25 to 2.50 (or more) would require a unanimous vote of ALL SEVEN Council Members at the two budget hearings: September 13th at 6:00 PM and September 26 at 5:30 PM. **All seven members must vote and all must agree to the proposed increase.**

Town Council Questions and Comments: N/A

Public Comments: N/A

Water Department

Kendrah Wilkerson (Town Manager) confirmed that there would be some staffing increases within the Water Dept. The Town must plan ahead to ensure continuity of operations and transfer of system knowledge from the current staff to future Water Dept. There was also an increase with the Water/Sewer contract with Jacobs.

Town Council Questions and Comments:

Public Comments: N/A

Police Department

Regarding funding for the Police Chief position, the decision was made to allow each in-house candidate to act as Chief for a period of six months instead of four. This allows our interested internal candidates the opportunity to “test-drive” the Chief role and allows the Town to save funds of our annual Chief salary. This allows for an increase in starting salary for Officers and also increase first year employees. Reallocation created increases of personnel went up \$3,000 however, this created \$4,500 increase instead of a \$2,500 while holding the Chief position during the 6 Months.

Town Council Questions and Comments:

Councilman Bert: Will they continue to have the same number of Officer's that were discussed.

Town Manager: Yes, it is funded for the 10 positions and some increases and normalizing of Part Time positions with no reductions.

Councilwoman Nelson: What happened to the search dogs?

Chief Smith: We received and the decision was made by Myself, the Manager and the Handler that the used didn't justify the expense. The Town was paying \$300 - \$400 for boarding and meals. It's a great program to have but we didn't use it very much and it's better to have Officers than a \$5,000 expenditure that only gets used every now and then.

Councilman Bert: And the Sheriff's Dept. probably has them don't they, that you can use?

Chief Smith: No, they don't, what most people use is the prison system. We have a mutual aid agreement with the Dept. of Corrections. It was a wonderful thing and glad we did it, but in a few years' time period zero uses vs a a \$5,000 expenditure, with the current situation it was the smartest choice.

Town Manager: Any other questions about PD salary or any salary?

Chief Smith: If I can, this increase will make us where we are not the lowest. We won't be the highest but we won't be the lowest. I appreciate what the council has done and as the future goes, we will have to look at other options. But thank you.

Public Comments: N/A

Personnel Expense:

Kendrah Wilkerson (Town Manager) confirmed that the draft budget includes the Town staff increases and changes for budget normalization. Specifically, during the last budget workshop, we discussed reducing or removing travel for Admin staff, that item was added back into the budget. It was \$2,000 and the reason for adding those funds back into the budget is for upcoming training conferences for the ADG Software (Payroll, utilities, etc.). There is one in the Spring in Orlando covering basic user functions of the software and one in the fall that we're going to send the Finance Manager to attend. Part time salary was also added back into the draft budget.

Town Council Questions and Comments:

Councilman Bert: We need to know how to run the equipment.

Councilman Reed: Yes we do.

Town Manager: It's critical software and this isn't just a networking conference, it's a training conference. And it's the best way to get intensive training for the software.

Councilman Bert: May I ask a question, on the Priority list. Higher and properly train the Finance Manager, I thought we had a Finance Manager.

Town Manager: We do, this is the list from last year. We have one hired, she is still here but she is still training. We are fully staffed.

Councilman Bert: Any discussion?

Public Comments: N/A

Special Revenue Funds

Kendrah Wilkerson (Town Manager) discussed the Special Revenue Fund for explanation purposes. The budget can vary depending on the number of Grants we have and the dollar amount associated. However, the actual operating budget doesn't fluctuate that much, this budget was an overall increase of about 2%. Special Revenue is all of the Grants and ARPA funding which are tied to specific projects. This year is going to be almost all tied to capital expenses, with one exception and that's the Transfer to Gas Fund. \$2,600 of that is for a regulator and the other \$2,000 is for a meter restock and those meters don't meet the capital threshold in addition to limited meter stock.

Town Council Questions and Comments:

Councilman Bert: Any discussion about that?

Public Comments:

Fire Service Pension

Kendrah Wilkerson (Town Manager) explained that the Havana Fire Pension State reporting is getting caught up due to the fact that the Audits are being caught up. We are due for an Actuarial Evaluation so that's an increase in the Budget this year. The Fire Pension will pay for it but the Budget increase was due to the Evaluation and that's a cost of about \$7,000.

Town Council Questions and Comments:

Public Comments: N/A

Electrical Department Expenses

Kendrah Wilkerson (Town Manager) explained that there was a significant increase for operating supplies from last year to this year and that includes \$11,900 for a restock of tools to outfit the 2nd Bucket Truck. When we purchased the 2nd truck, we didn't purchase all the tools to have it fully outfitted. They have had to swap tools back and forth between the two trucks and now we have the funding to outfit the other truck. Which is really important when we have a Hurricane or power outages and we send mutual aid so that both trucks are outfitted. Costs anticipated to go down for Bulk Power Purchase by FMPA. Based on cost savings, we will be able to put some money back into Fund Balance this year for the first time in a long time for future infrastructure.

Town Council Questions and Comments:

Public Comments: N/A

Gas Department Expenses

Kendrah Wilkerson (Town Manager) explained that there was an increase in repair and Maintenance costs and also includes Annual Odorizer maintenance that cost 2500. This is maintenance required through PSC and it is required this year. That line went up to include the cost of that equipment maintenance.

Town Council Questions and Comments: N/A

Public Comments: N/A

Other Large Cost Increases

Kendrah Wilkerson (Town Manager) explained that there were a few additional increases including Sewer Fund and other contractual services which was OMI - Jacobs contract which was voted on went up by a little over 22,000 and 9,000 of that included Electricity. If that goes down those funds will be placed back into the budget at the end of the year. So that is generally it, we have a balanced budget, with a very small decrease and includes special revenue so it appears the budget went down but it didn't the operating costs went up.

Town Council Questions and Comments:

Councilman Bert: Any questions from anybody?

So, without the special the special revenue what would that be, that's about half the budget?

Town Manager: Special Revenue is 2.8, so we'd be about 7. Last year it was a little over 3 and the year before that it was 1.8, it all depends on our pursuit of grants. That's the lifeblood of any small-town, including Havana when it comes to big infrastructure projects. We have several applications out and if they come through, we'd add several million to the budget and have to make an amendment.

Councilwoman Nelson: What are some of those?

Town Manager: One of them is the RIF Grant, which would run water and sewer south in hopes of encouraging development on the southern part of town. I think that was 2.5 million and included engineering and a new water and lift station. The lift station construction was supposed to be 1 million and now it's 3 million. State revolving funds would provide funds at 80% and 90% and loan forgiveness for the entire project. There's also CDBG grant funds to offset the remaining costs typically, which is \$650,000.

Councilman Bert: Didn't we have a lift station problem recently or do we still have it?

Town Manager: We did, and we do, we actually have two. One pump failed totally and was running on a backup pump at Dogwood Avenue, and we began using the portable pump that was purchased with rescue funds and it's running that lift station and there have been some technical issue with that one as well. Issue with getting state revolving funds is that they wouldn't pursue them with us until the audit was completed for 2021. Everything is in place to get the project off the ground once we receive those state revolving funds. It's old infrastructure and we knew it was coming and we are ready to fix it.

Councilman Bert: Any other questions for Kendrah? What about the Fire Service Fee?

Town Manager: It's in the budget, but there was an email received regarding a lawsuit against a large municipality down in central Florida challenging the fire service fee and so I have some concerns. It's in the budget and the attorneys are reviewing the recent issue, but until I feel totally sure through our attorney's we aren't going to move forward with the fees.

Councilman Bert: But it is being done in different communities?

Town Manager: It is being done actively, it's being done in Chattahoochee, and no one has challenged it yet there. But it was successfully challenged at a bigger municipality. It's in the budget but I don't want to put the Town in a position to have to pay those fees back until we are 100% sure.

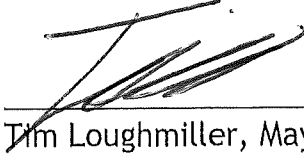
Councilman Bert: Any other questions?

Public Comments: N/A

Recognition of Council:

Councilman Reed: I'd like to thank the Manager for doing a great job.

Motion to adjourn was made by Councilman Bass and Seconded by Councilwoman Nelson. Motion carried.



Tim Loughmiller, Mayor

ATTEST:



Fredrick Green Jr, Town Clerk