4th - BUDGET WORKSHOP MEETING OF LAKE BUTLER, FLORIDA

August 27, 2024

 5:00PM

City Hall Lake Butler

200SW 1st Street

 Lake Butler, Florida 32054

MEETING MINUTES – Fiscal Year 2024-2025 3rd - Budget Workshop

1. **Call to order – Roll Call, Opening Prayer, Pledge of Allegiance.**
2. Admin Content *If a person decides to appeal a decision made with respect to any matter at this neeting or hearing, he or she will need a record of the proceedings and may need to ensure that a verbatim record is made.*

Mayor Hendrix called the meeting to order at 5:05pm.

In Attendance:

City Commission –Commissioner Redman, Commissioner Stephenson, Commisioner Sirmones, Mayor Hendrix,

Vice Mayor Huggins, attended via phone conference.

City Staff –City Manager Hayes, Finance Director Mecusker, Administrative Assistant Evernden.

Absent: City Attorney Maines

Opening Prayer was led by Finance Director Mecusker.

Pledge of Allegiance was led by Mayor Hendrix.

1. **City Commission Discussion on 2024-2025 Annual Operating Budget (FOR CITY COMMISSION DISCUSSION ONLY).**

Special City Commission Meeting. Discussion of 2024-2025 Annual Operating Budget.

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Finance Director Mecusker discussed the Sewage/Wastewater Treatment at this meeting. Finance Director Mecusker stated the wastewater fund has been a real challenge because several grants are co-mingled with the wastewater fund. Finance Director Mecusker explained that the fourth column will be what he is discussing with the board since this is the fourth budget review workshop. Finance Director Mecusker stated each category has been set up to stand alone so to ensure that different budgets are not co-mingling with each other, and this allows for the City Manager and the city to be more transparent with the budget.

Finance Director Mecusker explained the projection on wastewater funds taken in will be a little higher based on the conversations and negotiations with the Department of Corrections which was originally paying $2.80 per 1000 gallons and now have agreed to pay $5.04 per 1000 gallons. Finance Director Mecusker explained there are a couple of more issues with the Department of Correction the City of Lake Butler is working on with the Department. Mayor Hendrix stated that the Department has agreed to pay us for the first drop of water not the base and the $5.04 which is roughly an extra $10,000 more a month.

Finance Director Mecusker explained the City of Lake Butler’s original contract with the Department of Corrections did not include the “Outside of the City Rates” and the City Attorney did a great job discussing that and negotiating with them and seems to be one of the things we will be successful negotiating and the $5.04 would come out to about 25% more of an increase for the city each month. Commissioner Stephenson questioned the increase and Mayor Hendrix explained that if this is agreed upon with the Department and The City it would be an extra 25%. The city will still give them the 20% discount and the reason why are because the Department does not receive water from the city and there is an expected 20% that will evaporate.

Finance Director Mecusker discussed with the board that the base of the agreement with DOC was also agreed to be increased and DOC agreed for the city to send an amended bill to them and the base increase would be paid to the city for the months of August, September and October 2024 while negotiating the contract and this will be an additional $30,000 increase for the city.

Mayor Hendrix stated that the Department also agreed to the Ordinance when the city increases for the resident’s sewage, we will increase the Department also and that was not in the agreement previously. Mayor Hendrix explained this will give us revenue to help pay back the $1.2 million loan the city will have to pay once completion of the plant.

Finance Director Mecusker explained a lot of work was done in the completion of the salaries and the breakdowns of the salaries and previously it was all lumped together.

Finance Director Mecusker explained that the $14 an hour for new staff will go to $15 an hour September 1, 2024.

Mayor Hendrix stated she would like to discuss that previously she had stated that she would like to give certain staff raises and she would like to change her opinion and would like to see all staff (when they are off probation) get the 5% increase. Mayor Hendrix stated that seeing all the different jobs and knowledge specific staff are required to have it made her change her mind on this issue. Mayor Hendrix stated that staff in managerial roles could go ahead and get the 5% increase and then come January 1, 2025, be increased the remainder to bring them to the $58,656 per Florida Statue for Exempt Staff (managerial roles).

Vice-Mayor Huggins stated that he was opposed to that and just coming off probation he did not agree with that. Mayor Hendrix explained that this would be a 5% increase for all staff, cost of living raises and there are no yearly evaluations for city staff this year.

Vice-Mayor Huggins asked was the $58,656 a year increase for the staff, on probation and Mayor Hendrix explained these staff are mandated to receive this increase based on managerial positions and it is 3 staff and only one is probationary status which is the Public Works Director, and his probationary period would have ended by December 2024.

City Manager Hayes stated that there are three staff members she has in managerial positions that would receive the $58,656 Exempt pay increase and that would be the Finance Director, Public Works Director, and Wastewater Operator.

Vice Mayor Huggins stated that he feels we should wait until January 2025 to give the staff on probation and coming off probation a 5% increase so we could save money.

Commissioner Stephenson stated he is having trouble understanding what they are referring to saving money and pay increase and was the $30,000 from DOC and increase and if so, he does not see that reflected in the financial numbers presented to him. Finance Director Mecusker explained to Commissioner Stephenson how the budget was projected and that it is a conservative figure because all that money is reflected in a few places. Mayor Hendrix explained that you cannot reflect all that money in the numbers because you must have a reserve. Finance Director Mecusker explained as we go through the year we will meet with the board and discuss where to move the money to based on needs and the increase from the DOC is not reflected in the budget because we are still in negotiations with them.

Finance Director Mecusker invited board members to come and sit down with him and he will explain and answer any questions to stay transparent with the board.

Commissioner Stephenson stated that he wants to see the numbers reflected in the meeting instead of hearing “$5.04, $2.80 and base” for him he gets lost in the numbers and he don’t follow. Commissioner Stephenson stated that from the last meeting he calculated there was a $300k difference. Mayor Hendrix stated that this was from the previous audit and staff can’t really tell you what they did that was from the Walker era and the board knew they had spent money to include the ARPA Funding, and it should not have happened and moving forward the numbers will be reflected in real time.

Commissioner Stephenson asked how many board members can regurgitate these numbers, and he wants to know what assumptions Finance Director Mecusker is making and how did he come up with these numbers.

Finance Director Mecusker asked the board to look at the expenditures and revenues and if the

revenues end up more, then we are able to add additional items the city needs but it is a conservative approach to ensure the revenues are coming in.

Mayor Hendrix discussed the restricted funds and stated this would have to go on the September 17, 2024, meeting to un-restrict the money to be utilized for equipment and a small vehicle for the City Manager.

Finance Director Mecusker explained that we have saved money also utilizing our city staff at the treatment plant. Finance Director Mecusker explained where additional funds were added to the budget for the upcoming year.

Commissioner Stephenson asked if we contract out the billing for the water meters and Mayor Hendrix stated that City Manager Hayes cut that out when she started the city which saved us money.

Finance Director Mecusker continued to explain the breakdown of the proposed budget and how the grant funds have been assigned to their own bank accounts for the proposed budget. Finance Director Mecusker explained that a budget is based yearly, and grant funding would be based on a 2-5 year funding.

Finance Director Mecusker discussed the funding in the budget for a city vehicle for staff to utilize for official business instead of their personal vehicles. Mayor Hendrix stated that is a liability for the city also. Finance Director Mecusker explained the two loans that the city has to come up with every year that equal close to $60,000 and these two loans will be ongoing until 2037.

Finance Director Mecusker spoke about the different fund accounts and the transfer made. Finance Director Mecusker discussed the surplus and how that could be utilized next year. Commissioner Stephenson asked what expenditures the board is responsible for and when the city manager needs to buy something. Finance Director Mecusker explained all major expenditures go before the board for approval prior to purchasing or spending.

Commissioner Stephenson asked if we got the grant for the additional $250,000 to assist in on the water tank. Mayor Hendrix explained when she asked Mittauer to assist with the additional cost due to them holding off on starting the water tank they went out and found this grant for $250,000 to assist with the increase cost on the water tank. Mayor Hendrix stated that this would be a grant with no payback (loan) if we get approved.

Finance Director Mecusker discussed if the budget is approved then they can move money to the streets and roads funds to have the funds to make repairs.

Mayor Hendrix requested Finance Director Mecusker to go back and look 2 years ago before we did this increase what we got at 2.75 mileage versus now.

Finance Director Mecusker discussed the 10% increase and decrease in the sewage/water bills the commissioner had passed the Resolution on and how this doesn’t affect the citizens and DOC would incur this increase.

Commissioner Stephenson asked about renting the Depot and the old Public Works out to other Government Agencies to make money and Mayor Hendrix stated that we cannot make any money off the Depot right now as part of the grant agreement. Mayor Hendrix explained the old Public Works Building is not up to standard to rent. Mayor Hendrix explained that is why we have been annexing this property so we can try to sale it.

Mayor Hendrix talked about the sliver of properties the city owns. Vice Mayor Huggins questioned the board about a small portion of land Joe Maxwell was interested in and Commissioner Redman stated that was an easement and cannot be sold.

Joe Maxwell was interested in owning this piece of property and he is not looking to put anything on it, he just wants to be able to own all that property. Mayor Hendrix stated we can look at the list and see if that piece of property is on it and get with the City Manager and Finance Director Mecusker to bring it before the board.

Finance Director Mecusker stated he wants to get clarification so he will know how to prepare the budget for the first public hearing when it comes to the 5% staff raises. Finance Director Mecusker said he was just looking for a consensus so he can prepare the budget for the September 12, 2024, meeting. The board members stated they were in favor of it and Vice

Mayor Huggins was opposed.

Commissioner Sirmones stated that he was supposed to mention to the board there is a large tree fell over on the Maxwell property and City Manager Hayes acknowledged.

1. Workshop Adjournment:

 **IN THE EVENT THE BOARD DOES NOT COMPLETE THE DISCUSSION, THE MAYOR CAN SET A DATE AND TIME TO CONTINUE THIS WORKSHOP.**

1. Meeting Adjournment

A motion to adjourn the meeting was made by Commissioner Redman. Motion seconded by Commissioner Stephenson. Unanimous approval.

Meeting Adjourned at 6:16 pm.