

**MINUTES  
CITY OF ORMOND BEACH  
CITY COMMISSION  
FINANCIAL TRENDS WORKSHOP**

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**March 6, 2018**

**6:00 p.m.**

**City Commission Conference Room**

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**I. CALL TO ORDER**

Mayor Bill Partington called the meeting to order at 6:00 p.m.

Present were Mayor Bill Partington, Commissioners Dwight Selby, Troy Kent, Rick Boehm and Rob Littleton, City Manager Joyce Shanahan, City Attorney Randy Hayes, Finance Director Kelly McGuire, Assistant Finance Director Chris Byle, and Budget Advisory Board members Bill Harper, Kenneth Kimble, and Scott Cichon.

Ms. Joyce Shanahan, City Manager, thanked the City Commission for having the meeting. She stated that it was the kickoff meeting for staff's budget development with general direction from the Commission on where they would want to go with the budget. She stated that there would be more opportunities in future meetings to speak about the issues; in June to discuss the Capital Improvement Project (CIP) budget process, in July to discuss the operating budget and set the tentative millage rate, and two in September on the budget overall. She noted that it would not be the last time that the Commission heard about the budget, but that it gave staff direction as they began to formulate the operating and capital budgets. She introduced Finance Director Ms. Kelly McGuire and Assistant Finance Director Mr. Chris Byle.

Ms. Kelly McGuire, Finance Director, thanked the Budget Advisory Board for attending the workshop and noted that it was their first time to see the presentation. She stated that they would take direction from the Commission and discuss details of the budget in their monthly meetings over the upcoming months.

Ms. McGuire stated that the Commission was provided polling device keypads, as they had been in past workshops, and would use those to select their answers on some questions that would be posed to them.

**II. FINANCIAL TRENDS**

**Long Term Financial Plan Policies**

Ms. McGuire stated that she would start by reviewing the long term financial plan that had been approved the prior year. She stated that the plan called for the city to maintain a tax rate to fund the desired service level, whatever they determined that desired service level was. She stated that it called for providing wage adjustments per the existing contracts and that if the city decided to add new services or facilities, they would have to find a new recurring revenue service. She noted that they were not going to add anything new using the General Fund balance or an existing revenue source, as those were already allocated to other expenses.

Ms. McGuire explained that there was a policy in the General Fund to maintain the undesignated reserves at a minimum level of 15 percent of net expenditures, noting that

the current rate was at 18.72 percent and well above that level. She stated that 15 percent dollar wise would be about \$5,200,000 and that the current rate was about \$1,200,000 over that. She stated that the policy for leisure services fees was to adjust them annually to capture ten to 20 percent of associated expenditures. She stated that they had been adjusting them by three percent and that they were currently capturing 15 percent of expenditures. She noted that the goal there was not to fully cover the recreation programs with those fees, explaining that to do so the city would have to charge such a high fee that no one would participate.

Ms. McGuire noted that the city had a number of dedicated millages. She stated that on a resident's property tax bill the tax was listed as one amount, but that the city parceled their portion into the General Fund and the separate millages. She stated that some went to the Facilities Renewal and Replacement Fund. She explained that instead of setting a target millage rate, they had established a target dollar amount. She stated that the target was \$500,000 in annual funding for that facilities renewal and replacement millage. She stated that another millage was for the General Capital Improvement Fund. She noted that the target dollar amount for that millage was \$400,000.

Ms. McGuire stated that there was also a General Vehicle and Equipment Replacement Fund dedicated millage, with a target dollar amount of \$225,000 annually. She stated that there was a Transportation Fund, which had a dedicated millage that was annually funded at \$500,000. She noted that the city had done rather well with those dollar amounts and was not presently looking to change them.

### **General Fund Budget Estimates**

Ms. McGuire stated that the General Fund stood at \$32,762,088, that there was no shortfall, and that they were not using the fund balance to fund any of the recurring expenses. She noted that they were in a good place to start out. She stated that looking at the next year they were assuming a four percent growth in the taxable value, the tax rate would remain the same, and that they would potentially increase the vacancy rate to five percent, which meant that they would be budgeting 95 percent of the payroll.

Commissioner Selby asked what a five percent increase of vacancy savings rate was; whereby Ms. McGuire clarified that it should say five percent in vacancy savings rate.

Ms. McGuire stated that the city was currently doing four percent, which meant that they were budgeting 96 percent of payroll, but thought they could bump it up from four to five percent and budget for 95 percent of payroll.

Ms. McGuire stated that the assumptions for fiscal year 2018-19 also included a three percent increase in wages. She stated that the assumptions also included a ten percent increase in healthcare costs, but that there would be further conversations about it. She stated that there was also a two percent increase in operating expenses assumed. She stated that all of that should get the city pretty close to even, with approximately \$30,000 of revenue in excess of expenditures, which was not too bad. She stated that looking further ahead the city would start to see shortfalls, noting that those amounts were largely dependent on what happened with wages, the tax bill, and other information. She stated that four percent going forward was very conservative.

Commissioner Kent asked if that were four percent in wages or taxable value; whereby, Ms. McGuire stated that it was in taxable value.

Ms. McGuire stated that they liked to start out assuming the worst and go from there. She noted that if the city saw a five, six, or seven percent increase, which was more realistic, those shortfalls would go away. She stated that that was also assuming that the tax rate did not adjust down or that there would be more than a three percent salary increase.

Ms. McGuire stated that the only issue and real concern was if the homestead exemption amendment passed in November of 2018. She stated that the \$800,000 shortfall from that exemption was not included in the fiscal year 2019-20 budget, so the estimated \$300,000 shortfall would turn into an estimated \$1,100,000 shortfall. She noted that they would not discuss that issue at that point, but would continue to bring it up so that when it came around, no one would be surprised. She reiterated that the budget for the upcoming year looked good for the General Fund and that there was not a great deal of concern.

### **Tax Rates**

Ms. McGuire stated that the assumptions were that the General Fund would be adequate to generate the revenue necessary, and also meet the overall tax rate. She noted that for the Facilities Renewal and Replacement Fund, General Capital Improvement Fund, General Vehicle and Equipment Replacement Fund, and Transportation Funds, there was a target dollar amount. She stated that for the total operating millage, there was a target amount, and noted that it was the current operating millage rate of \$4.2843. She explained that they essentially had to back into the General Fund amount. She noted that the displayed tax rates chart was what was being proposed for budgeted purposes, noting that it showed how the rate was split out amongst the funds. She stated that the overall tax rate in all of the years projected was the same at \$4.2843.

Commissioner Selby asked if it made sense to have the four funds outside the General Fund set as fixed numbers and not adjust them for inflation; whereby, Ms. McGuire stated that the city could do that.

Ms. McGuire stated that the larger financial plan did not call for that and they decided to target a dollar amount, but that could be changed. She stated that if they adjusted those four funds and let them increase proportionate to the taxable value, then those funds would get more money each year but the General Fund would get less. She stated that it was really a question of where they wanted to put those dollars.

Ms. Shanahan stated that at one time, she thought the city did have a millage rate assigned to those funds but that during the heart of the recession, the city was not able to fund at that level. She noted that a few years prior, the City Commission went to a fixed dollar amount using ideal amounts each year, with the understanding that there would be inflation. She stated that she thought the city could make due in this scenario.

Commissioner Selby stated that he was not necessarily proposing a fixed millage rate, but asked if the dollar amounts were sufficient to do what needed to be done or would the amounts have to be raised at some point in the future; whereby, Ms. Shanahan stated that she thought they were sufficient.

Ms. McGuire stated that she did think Commissioner Selby was correct and that at some point, they would have to raise the dollar amount. She noted that the five year capital plan had been approved and that it would be reviewed at the June meeting with the listed assumed dollar amounts. She stated that staff was planning around those numbers and since there were not any deficiencies to speak of, they were comfortable with the numbers.

Ms. McGuire asked the Commission the following question and instructed them to select their answer by pressing the corresponding number on their handheld keypads:

- ***Should the current tax rate be used for FY 2019 budget development?***
  1. Yes
  2. No

**Ms. McGuire noted that four respondents, or 80% of the Commission, selected option #1 – yes; indicating that the city should use the current tax rate for FY 2019 budget development, and that one respondent, or 20% of the Commission, selected option #2 – no, indicating that the city should not use the current tax rate for FY 2019 budget development.**

Commissioner Kent asked if they could discuss the results; whereby, Ms. McGuire stated that they could.

Commissioner Littleton stated that in looking in the Capital Improvement Plan (CIP) at projects, he did not think \$225,000 would be sufficient for the General Vehicle and Equipment Replacement Fund in two years and thought that it would be closer to approximately \$389,000. He stated that he was proposing to give more to that fund and move it up to \$250,000. He noted that there were not a lot of transportation projects coming in the next few years that were listed in the CIP, so he was prepared to move that amount from \$500,000 down to \$400,000.

Ms. Shanahan stated that she wanted to make sure the Commission understood something about the Transportation Fund. She clarified that the city used most of that money to resurface local roadways, and that did not take into account any of the big projects, i.e. Hand Avenue extension or expanding intersections, that were on the list if the half-cent sales tax was approved by voters in November of 2018. She stated that the city was on a 20 year cycle for resurfacing roadways and asked City Engineer Mr. John Noble to correct her if that was wrong.

Mr. John Noble, City Engineer, stated that Ms. Shanahan was correct.

Ms. Shanahan reiterated that the bulk of the Transportation Fund was to resurface the roadways once every 20 years and did not think that the Commission would want to reduce that.

Commissioner Littleton stated that it was his understanding that the amount for resurfacing the roadway was exactly how much the city took in from the gas tax. He reiterated that he thought the city could do the \$400,000 in Transportation.

Ms. Shanahan stated that her understanding was that the gas tax money received not only went to resurfacing the roads, but also to roadway lighting. She stated that that

amount would be a separate bill altogether, but noted that it was part of the cost and included all lighting, including Florida Power and Light poles.

Ms. McGuire stated that approximately \$550,000 each year went towards the lighting.

Ms. Shanahan stated that the Commission could do what they wanted, but felt that they should have all the facts before making the decision.

Commissioner Kent stated that his main reason for discussing the results was because he wanted to know who was in favor of the current tax rate and who was against it, since it was 80 percent and 20 percent respectively, noting that he did not think that it was a secret. He stated that he was in favor of it because he thought that the tax and millage rates were appropriate for the level of services that Ormond Beach gave to their residents. He noted that he also liked to pay bills on time and thought that it allowed for that.

Commissioner Kent stated that he had struggled with the vote the prior year where Commissioner Littleton voted for the budget, but not for the tax increase and was concerned. He stated that since then Commissioner Littleton had voted out up to \$152,000 in projects, but thought he had around \$750,000 to \$800,000 more to vote against before October 1, 2018 came around. He wondered what Commissioner Littleton's plan was. He stated that he wanted to understand Commissioner Littleton's thinking because he might change his vote that way instead and he wanted to gain knowledge on things that he had not thought about in order to make things better in Ormond Beach. He noted that as elected officials they could vote how they wanted, but there had been another elected official that previously served and would do that exact same thing. He stated that that individual would vote against the millage rate because by law it was considered a tax increase, even though it was exactly the same, but would do it so that they could say that they voted against it, then turn around and vote for every spending item. He stated that it bothered him when someone did that. He asked for more thoughts from the group.

Commissioner Boehm stated that his stance had never changed and that he believed that the city needed to take care of what they owned including all facilities, all property, all buildings, all vehicles, all roads, etc. He stated that the city had the same obligation that a private homeowner, corporation, or anyone else had in maintaining what it owned and what it was responsible for taking care of. He noted that this was the means by which to do that and that he was in favor of the current tax rate.

Mayor Partington stated that he was in favor of the current tax rate also. He stated that he and Commissioner Kent had the benefit of watching budgets go through over the prior 15 years and noted that there ended up being a lot of hoopla over such small variations of the actual tax bill from the city's perspective, that it really did not make sense to play traditional Washington politics with a little budget. He stated that they had experienced a hardcore conservative mayor who led the charge for some of the biggest tax increases that Ormond Beach had in years.

Commissioner Kent stated that it was 17 percent one year.

Mayor Partington stated that even though that mayor was conservative, part of that conservatism was the freedom for the city and its residents to choose what level they wanted to fund themselves at, how they wanted to create their city, and what services

they wanted to provide and pay for them. He stated that even though the city had demand for road paving, on a 20 year cycle, that there were any number of demands for certain items and the city did not have money to do that. He stated that in that instance, \$500,000 was not adequate for transportation. He noted that the city's staff did a great job with the budget, got a lot of bang for their buck, and that he was comfortable with maintaining where they were at that point. He stated that additional items would have to be addressed separately.

Commissioner Selby stated that Commissioner Littleton must have been the one against the tax and wondered how high he wanted to raise it.

Commissioner Littleton stated that in the long term financial planning, he wanted to increase the leisure services fees and capture a minimum of 20 percent, but up to 25 percent, of the associated expenditures. He stated that he knew that might take a few years to get it up to that, but thought it was something that the city could do. He stated that the city was giving the citizens light emitting diode (LED) lights and they cost money.

Commissioner Selby asked if the range was ten to 20 percent; whereby, Ms. McGuire stated that he was correct and that the city was at 15 percent. She stated that if it went up to 20 percent, a five percent increase, that would be approximately \$25,000.

Commissioner Selby asked if it were a one third increase that someone was paying; whereby, Ms. McGuire stated that he was correct.

Commissioner Kent stated that he had recently signed up his son, Wyatt, for baseball and that it had cost over \$100. He noted that Mr. Kimble's daughter played softball and thought the fee for her was probably similar. He stated that he disagreed with Commissioner Littleton on adjusting the leisure services fee, noting that it had been less in the past and was adjusted over the years. He stated that an increase of even \$50 would make a huge difference to some citizens. He stated that residents expected something different than what they would get from sister cities and that Ormond Beach had a different level of service that they provided.

Commissioner Kent stated that he had not heard an exact answer about changing the current tax rate and wondered what the tax rate should be if the current one was not what they should have. He wondered what staff was doing wrong. He wondered what the leadership on the Commission was doing wrong so that they could do it right.

Commissioner Littleton stated that in regards to the leisure services fee, the five year increase average had been 3.99 percent and that instead of raising it three percent, to go ahead and raise it four percent to be consistent with the average. He stated that he would like staff to prepare a budget, which showed the millage with a rollback rate for example, and compare it to the budget with the current rate, so that the Commission could hash it out and meet in the middle somewhere.

Commissioner Selby stated that in the current budget, city taxes went up a \$13 average per person for the year, and noted that the amount was totally justifiable for the quality of life in Ormond Beach. He stated that in his opinion, it was not worth looking at or doing roll back since the actual dollars were tiny for the quality of life. He stated that the bigger issue was making sure the homestead exemption amendment did not pass in November 2018. He noted that if the amendment passed, that it only benefitted the people who were in the \$100,000 to \$125,000 range, and that everyone else would have to pay

more or the city would have to decrease the budget by \$800,000. He stated that was extremely unfair.

Mayor Partington stated that it was a tax shift, not a tax cut, and that it was definitely unfair.

Commissioner Boehm stated that they needed to keep in mind the union contracts for employees to get a three percent pay increase. He stated that if the city went with roll back something would have to be cut elsewhere, in order to meet all of those agreed upon expenditures. He stated that he was hearing the idea to cut services that the city provided in order to keep a rate the same, which he thought was already low, instead of staying with the same rate currently in place.

Commissioner Selby stated that one of the hardest things to do was to have reserves for replacements. He stated that the current fixed dollar amount might not be enough in the future, as costs rose, and that they would need to reevaluate down the road. He stated that he was proud of Ormond Beach for having the discipline to repave their roads as needed, instead of letting them go or removing it from the budget, and then having crappy roads which would take a gigantic expenditure that required a massive tax increase.

Commissioner Kent stated that none of the current Commission could take credit for the roadway millage that was in place, noting that it had been created by wise people on the prior Commissions. He stated that when Commissioner Boehm was serving as Chairman of the Leisure Services Advisory Board, he went into the Chambers and shamed the Commission for not taking care of what they owned, especially when the Nova Recreation Center had to be shut down due to rain penetrating the facility. He stated that Mayor Partington looked at him and they vowed not to let it happen again while they were on the Commission.

Commissioner Kent thanked Commissioner Selby for explaining the extra homestead exemption in a way that he had not heard before. He stated to Commissioner Littleton that if they went to roll back, he wanted to be told where they would be cutting the funds so that he could communicate that to the residents and let them know what services would not be available anymore. He stated that if he went to roll back in his personal budget, he would have to cut something else so that Wyatt would be able to eat, since he was eating more these days as a growing boy. He reiterated that he wanted to be shown the leadership and direction of what would be cut going to roll back.

Ms. Shanahan pointed out that what Commissioner Selby stated had happened during the recession. She stated that many of Ormond Beach's sister cities did not have any specialty funds during the recession, and thus were having difficulty paving roads, replacing vehicles, and repairing facilities, noting that they were currently behind and having to play catch up since that time. She noted that Ormond Beach was penalized some because they had been good stewards and continued to do that. She stated that Commissioner Selby was correct in that if those things were eliminated, it was harder to add them back, but that once they were there and had a line item, the city was disciplined to use it for that item.

Mayor Partington stated that when he and Commissioner Kent joined the Commission, it was during a time when the city had gone to roll back three, four, or five years in a row. He stated that the conservative mayor then led the charge for a 17 percent increase,

which was somewhat extreme. He stated that he would trust staff that did an amazing job with award winning budgets year after year, and rely on the numbers that they provided which had been heavily vetted and were detailed with reason behind all of them. He stated that he would not agree to much of an increase with the leisure services fee, since Leisure Services Director Robert Carolin and staff knew what was needed to allow kids, who might not otherwise be able to afford it, to participate in activities run by the city. He noted that it was fairer to residents to bring them along a little each year, than to give them five years off and shock them with a 32 percent increase. He stated that that was crazy and that the city's budget had worked well for years, so they should continue that direction.

Commissioner Kent stated that during one of biggest financial downturns in the history of his life, Ormond Beach residents voted overwhelmingly to tax themselves more for a beachfront park.

Ms. Shanahan clarified that the meeting was only to give staff general direction and that they were not voting, only designating what was preferred. She clarified that Mayor Partington, Commissioner Selby, Commissioner Kent, and Commissioner Boehm had said "yes" and that Commissioner Littleton was a "no".

### **Leisure Services Fees**

Ms. McGuire explained that each year there was an automatic three percent increase in the leisure service fees. She stated that if the city went to four percent instead of three percent, the additional percent increase would only generate about \$5,000.

Commissioner Kent asked how long they city had been doing that; whereby, Ms. McGuire stated that it was at least seven years.

She noted on the chart she displayed that the expenditures were increasing, while the revenue was both not coming close to covering the cost of the services, and also not really changing. She explained that that was because even if the fees were increased by three percent, it was a very small figure to begin with.

Ms. McGuire asked the Commission the following question and instructed them to select their answer by pressing the corresponding number on their handheld keypads:

- ***Should the 3% annual adjustment to Leisure Services fees be continued?***
  1. Yes
  2. No

**Ms. McGuire noted that four respondents, Mayor Partington, Commissioner Selby, Commissioner Kent, and Commissioner Boehm, or 80% of the Commission, selected option #1 – yes; indicating that the city should continue its 3% annual adjustment to Leisure Services fees, and that one respondent, Commissioner Littleton, or 20% of the Commission, selected option #2 – no, indicating that the city should not continue its 3% annual adjustment to Leisure Services fees.**

### **Water & Wastewater / Solid Waste**

Ms. McGuire stated that the long term financial plan called for smaller incremental increases in user fees in water and wastewater to fund operations, debt service



requirements, and capital needs. She stated that they would discuss the specific capital needs in June at the Capital Improvement Plan Workshop and welcomed feedback on projects that needed to be funded, but were not included, at that time. She noted that it also called for incremental increases in solid waste user fees to adequately fund operations, including projected increases in contracted services, and noted that it was largely to pay salaries.

Ms. McGuire stated that the current year budget was \$20,130,857 for the Water & Wastewater Fund, with no shortfall or surplus. She noted that they were using reserves in the current year of \$744,000, but that was specific to capital projects and not something that they generally did. She stated that the city happened to have more capital projects that they wanted to get completed than revenue to cover them. She stated that they would not go out and increase the revenue for a single year of capital projects because that would not make sense.

Commissioner Kent asked how much was left in the solid waste reserve after the \$744,000 was removed; whereby, Ms. McGuire stated that it would be around \$3,000,000 once the city was reimbursed from the Federal Emergency Management Agency for Hurricane Matthew.

Ms. McGuire stated that staff was assuming an annual rate increase of \$1 for water and \$1 per month for wastewater. She stated that they recommended doing what had been done in the past, which was to charge \$.50 on the water and \$.50 on the wastewater at the beginning of the fiscal year, and charge it again at the end of the fiscal year, noting that it would cover two years' worth of the budget.

Commissioner Kent asked if Ms. McGuire could clarify the dates of those charges; whereby, she stated that they would be October 1, 2018 and September 30, 2019.

Commissioner Kent asked if there would be another charge on October 1, 2019; whereby, Ms. McGuire stated that there would not be.

Commissioner Kent asked if the city had just done that; whereby, Ms. McGuire stated that it had been two years prior, to cover the previous and current years.

Ms. Shanahan stated that the city had been charging \$.50 a year on each for the prior four years.

Commissioner Kent asked if it were only \$.50 a year; whereby, Ms. Shanahan stated that it was \$.50 on water and \$.50 on sewer for the last four years, noting that it was voted on one time and came out to \$1.00.

Commissioner Kent stated that that was another area that had not been touched for a long time in prior years and had a huge increase after that time. He noted that it had made the national news.

Mayor Partington stated that there had been outrage at that time and included special meetings with the residents.

Ms. McGuire stated that on an annual basis per year it was roughly three percent. She stated that staff might come back in July or October to propose doing three percent of the higher tier, instead of \$.50 for water and \$.50 for sewer, which would be the same

thing dollar wise. She noted that how it would be divided up would need more time. She stated that staff had been adjusting the minimum and was happy to continue doing that.

Ms. Shanahan stated that the city currently had a conservation rate where the more an individual used the more they paid, explaining that it encouraged conservation. She noted that on the opposite end, there were those that had a certain amount of fixed costs just to operate the system for water and sewer.

Commissioner Selby stated that he did not understand the \$.50 and \$.50.

Ms. McGuire explained that on the minimum bill each month for a resident, the city would add \$.50 on the water portion and \$.50 on the sewer portion. She stated that overall they would be paying an extra dollar per month, but emphasized that the way the city was doing it would cover two fiscal years.

Ms. Shanahan stated that that was the only way the city could do a rate that covered two fiscal years and not have to re-advertise it. She noted that they could do a one year water rate, advertise it as a one year water rate, even though it spanned two fiscal years. She stated that on October 1, 2018, the resident would receive a bill with \$.50 additional on water and \$.50 additional on sewer, and then a year later on September 30, 2019, adjust for the \$.50 for water and \$.50 for sewer, so that it would be one rate over two years.

Commissioner Selby asked if they lost 12 months of revenue; whereby, Ms. McGuire stated that they did not need that revenue during the 12 months, only for the next budget year at \$1 total per month per resident.

Ms. McGuire stated that they would have this conversation again the next year but that the rate would already be approved at that point. She stated that it might not end up being in the minimum bill, staff might do something with the conservation pricing instead. She noted that the method had been used before, but the problem was that it worked and people started conserving water. She stated that the three percent increase ended up going to a four percent increase and then a five percent increase. She stated that staff decided to have the fixed costs instead, so that it spread the rate increase across everyone and not just certain users.

Commissioner Selby stated that he did not understand a conservation rate and that it was the only commodity that cost more per unit, the more that one bought.

Ms. Shanahan stated that the idea was to encourage people to use less; whereby, Commissioner Selby stated that he agreed with that, but did not like being penalized for using more.

Ms. McGuire asked the Commission the following question and instructed them to select their answer by pressing the corresponding number on their handheld keypads:

- ***Should an adjustment of \$1 per month on water, and \$1 per month on wastewater, be used for FY 2019 budget development?***
  1. Yes
  2. No

**Ms. McGuire noted that all respondents, 100% of the Commission, selected option #1 – yes; indicating that the city should use an adjustment of \$1 per month on water, and \$1 per month on wastewater, for FY 2019 budget development.**

Ms. McGuire stated that the current budget for solid waste was \$8,291,000. She stated that they were assuming a rate increase of 1.25 percent per year and an increase of 1.5 percent in operating costs, noting that would largely be the case if there were a CPI adjustment in the contracted rate.

Commissioner Selby asked if that was voluntary; whereby, Ms. McGuire stated that he was correct.

Ms. Shanahan stated that the reason they had the rate increase with the expected expense increase was because they had a fund balance.

Ms. McGuire stated that the city had additional revenue that came in that was relatively small in comparison to what the user fee was, noting that there were shortfalls there in the future but that they were small.

Ms. Shanahan hoped that the city would get reimbursed for Hurricane Matthew sometime in the current century.

Ms. McGuire stated that none of the numbers everyone was seeing took that money into account, noting that was a cash issue at that point. She stated that the latest news was that they had two project worksheets that had been approved and were waiting on the money to be put in the bank. She asked Mr. Byle the amount; whereby, Mr. Chris Byle, Assistant Finance Director, stated that it was \$5,800,000.

Ms. McGuire stated that the payment would be the first and largest amount and that staff were working on the other two project worksheets to get the remaining amount.

Commissioner Selby asked if it would be a one-time increase; whereby, Ms. McGuire stated that he was correct.

Commissioner Selby asked if it would start at the beginning of the fiscal year; whereby, Ms. McGuire stated that it would start on October 1, 2018.

Commissioner Selby stated that it amounted to less than \$.50, maybe \$.30 or \$.40; whereby, Ms. McGuire stated that he was correct and that it would be per month times 12, if that was the direction that the Commission wanted to give staff.

Ms. McGuire asked the Commission the following question and instructed them to select their answer by pressing the corresponding number on their handheld keypads:

- ***Should a 1.25% adjustment to solid waste rates be used for the FY 2019 budget development?***
  1. Yes
  2. No

**Ms. McGuire noted that all respondents, 100% of the Commission, selected option #1 – yes; indicating that the city should use a 1.25% adjustment to solid waste rates in FY 2019 budget development.**

Ms. McGuire stated that her presentation was completed, whereby; Mayor Partington stated that he appreciated the work that Ms. McGuire and Ms. Shanahan had put into the presentation. He noted that it was nice to be on the Commission at a time when the city was in excellent financial shape, noting that Commissioner Kent had mentioned an earlier time when it was not that way.

Ms. Shanahan asked if someone would introduce the members of the Budget Advisory Board; whereby, Ms. McGuire stated that she would be happy to do it.

Ms. McGuire introduced Chairman Ken Kimble, Mr. Scott Cichon, and Mr. Bill Harper, noting that they were missing Vice Chairman Rafael Ramirez and Mr. Kevin Tilley.

Commissioner Kent stated that he would like someone to remind him who appointed each member of the Budget Advisory Board, noting that Mr. Kimble was his appointment.

Mr. Bill Harper, Board Member, stated that Mayor Partington had appointed him.

Commissioner Littleton stated that his appointment was Mr. Kevin Tilley.

Commissioner Kent confirmed that Mr. Cichon was appointed by Commissioner Selby and Mr. Ramirez was appointed by Commissioner Boehm.

Mayor Partington thanked the Budget Advisory Board for being in attendance and wondered if they wanted to speak about anything. He noted that they had heard many details on the budget and had not seen it before that day. He indicated that there were no comments.

Ms. McGuire stated that she was sure the Commission would hear from them in future meetings.

### **III. ADJOURNMENT**

The meeting was adjourned at 6:44 p.m.

Transcribed by: Wendy Nichols