

LAKELAND CITY COMMISSION

Budget Hearing September 8, 2022

The Lakeland City Commission met for the Budget Hearing in the City Commission Chambers. Mayor Bill Mutz and Commissioners Chad McLeod, Bill Read, Stephanie Madden, Sara McCarley, Mike Musick, and Phillip Walker were present. City Manager Shawn Sherrouse, City Attorney Palmer Davis, Finance Director Mike Brossart, and City Clerk Kelly Koos were present.

CALL TO ORDER - 6:00 P.M.

PRESENTATIONS

Proposed FY2023 Annual City Budget, City Manager Shawn Sherrouse

Shawn Sherrouse reviewed the following:

- FY2023 budget Process Timeline
- FY2023 Budget Assumptions
 - Provided context to the 5% ATB request. No general employees received an ATB/Merit Increase in FY21. The job market is active and the City is struggling to recruit/retain employees. According to Florida Public Employers Personnel Information Exchange (FPEPIE), the City of Lakeland general employees are 5.69% under the minimum end and 6.93% under the maximum range. The 5% is warranted to stay competitive. Comparative agencies were also proposing 5% ATB. The State of Florida has granted 5.38%.
- Target Area 1: Infrastructure
- Target Area 2: Economic Development Category 1 Economic Development
- Target Area 3: Economic Development Category 3 Education
- Target Area 4: Affordable Housing
- Target Area 5: City Hall Communication
- Target Area 6: Parks & Recreation
- Target Area 7: Public Safety
- Proposed Commission Initiatives
- Historical Full-Time (FT) and Part-Time (PT) Changes: He proposed to increase staff by 40 people, 27 are public safety.
- City of Lakeland Population per BEBR: Over the last 2 years population has increased over 6,000 people.

Mike Brossart presented the Budget Overview:

- FY2023 Revenue Sources
- FY2023 Budget Expense by Account
- FY2023 General Fund Revenues
- FY2023 General Fund Expenses

Actual and Forecasted Operating Subsidies - RP Funding Center

Staff issued RFP for management company for RPFC. No responses received. Staff shifting business model so that the City will no longer promote events at RPFC. The facility will be run as a rental facility. The change will begin halfway through the FY23 budget because of existing contracts. The anticipated subsidies going forward were:

FY21 - \$3,836,922

FY22 - \$1,850,000

FY23 - \$1,808,000

FY24 - \$1,265,000

Public Safety - Chief Ruben Garcia

- Call Type
- Calls for Service
- Crashes
- Calls for Service
- Response Times

The concern was that response times are getting longer, and officers have less time to initiate contact with the public outside of a dispatched call.

Shawn Sherrouse explained how Lakeland was competing against other agencies in recruiting. Streamlining and pay increases has helped with recruiting. Now they need to deal with growth. The request at Strategic Planning was originally 30 positions. That has been scaled back to 13. It will take a while to fill those 13 positions. They will reevaluate each year.

Shawn Sherrouse reviewed the Historical Ad Valorem Millage Rates.

Mike Brossart presented the General Fund Day's Cash. The policy was 45-60 DCoH three years out. The graph presented tonight also showed the fourth year out, FY'26. The maximum advertised millage rate was .3326 mils higher, which funded public safety and other initiatives. It does burn down some of the value increases seen recently.

Mike Brossart reviewed the millage rates and vote requirements.

Rolled-back Millage	Millage <u>Threshold</u> for Simple Majority	Recommended Millage
4.9835	5.2890	5.7649
Simple Majority Required	Simple Majority Required	Super Majority Required

The recommended millage was 5.7649, which would require 5 affirmative votes.

PUBLIC HEARINGS

Palmer Davis explained the Commission was required to tentatively adopted a millage and budget ordinance in that order.

Ordinances (First Reading-Tentative Approval Required)

Proposed 22-040; Ad Valorem Millage Rate for 2022-2023 Fiscal Year

AN ORDINANCE RELATING TO AD VALOREM TAXATION; ESTABLISHING THE MILLAGE RATE FOR THE CITY OF LAKE LAND, FLORIDA, FOR THE FISCAL YEAR COMMENCING OCTOBER 1, 2022, AND ENDING SEPTEMBER 30, 2023; PROVIDING FOR THE LEVY OF AD VALOREM TAXES; FINDING THE MILLAGE RATE IS 15.68% GREATER THAN THE ROLLED BACK RATE; PROVIDING AN EFFECTIVE DATE.

Palmer Davis read the short title.

Motion: Commissioner Phillip Walker moved to approve the ordinance. Commissioner Chad McLeod seconded.

The Commission discussed:

- The required number of employees to open Station 8 would be 18. The Fire Department was requesting 12 because they would reassign a rescue truck to the new station along with the corresponding personnel.
- The Police could start with 8 new employees, but they would all go straight to Patrol, and officers would not gain the ability to interact with the public outside of a dispatched call. The request for 8 should have been made in 2018.
- The Police needed a homeless liaison officer and were critical at School Resource Officers (SRO) and Neighborhood Liaison Officers (NLO).
- Chief Garcia supported a police substation at Fire Station #8.

The Commission reviewed the budget with the new fire station, 12 personnel and a police lieutenant with 8 officers without a millage increase.

The Commission discussed the quality of policing with current staff. The Police were handling the calls but not as quickly as they would like. They often do not have time to follow up because they have three other calls waiting. The biggest benefit was having the officer in the field available to handle calls that same day. Additional follow up could stop future crimes.

Using ARPA funds would be money the citizens would not have to pay for the increase.

Property tax revenue was up \$9 Million from last year. What would that have been if we had not lowered the millage rate last year? It was a \$3 Million difference.

The Commission looked at the DCoH without a millage increase but with all requested expenses.

The Commission continued to debate:

- The Commission understands Lakeland will continue to grow, costs will continue to grow, and wages will probably need to grow. The City needed a pay band that encouraged people to work for the City.
- Property values may only increase by 3% in the outer years. No one knew for sure.
- This Commission had cut property taxes twice in the last 4 years. The increase was minimal, and the property tax was low.
- Cover public safety. If the policy is 60-45 DCoH, this is doable without a millage increase. The increase looks small, but it is being added on top of many other expenses that are going up. The Commission can reconsider the millage rate next year.
- Lakeland's current millage rate did not cover the cost for police. The City provided many services on top of that. Many non-residents use those services. Lakeland was spoiled to have a low millage rate.
- Lakeland has experienced unprecedented growth, 7600 people in two years. The City needed to plan for the unprecedented growth. This growth was specific to the City, but water and electric services extend outside the City.
- People are talking about a recession. A bad economy usually means higher crime rates. If citizens are willing to pay for anything, it is public safety.
- Some were concerned about moving forward without an increase.
- To responsibly move forward, maintain a quality workforce and services, the Commission should adopt a millage increase. They could reconsider the rate again next year.
- The speed of government was frustrating, and they were always playing catch up.
- The Commission was seeking the balance between providing services and not raising taxes. What citizens get for what they pay is phenomenal. The scary side is looking toward 2026.
- The City needed to take care of employees, who can go and work someplace else.
- Homeowners insurance was going up faster than property tax.
- The City received a sizable increase without the millage increase.
- The DCoH was within the policy range at 5.4323
- There were concerns about a pending recession. If the City took on \$4 Million worth of debt and property values goes down, the City cannot cover it. The Commission will have to raise the millage a lot. That will be the worst time to ask the citizens to pay more.
- Some wanted to hold the millage rate and reconsider in FY'24.

Mayor Bill Mutz asked for public comments.

Gloria Hutchinson, President of Foxwood Estates, requested a new fire station in north Lakeland in January. They were here to see if their request was going to happen. If an increase means we will be safe you better do it now.

Chief Riley responded the City was looking at properties for a new station. They were trying to be smart, so the prices do not go up.

Commissioner Mike Musick asked a procedural question on this vote. Palmer Davis explained that whatever the Commission adopted tonight is the maximum they can adopt.

Action: Upon roll call vote Commissioners Bill Read, Stephanie Madden, and Mayor Bill Mutz voted aye. Commissioners Phillip Walker, Mike Musick, Sara McCarley, and Chad McLeod voted nay. Ayes-three. Nays-four. The motion failed 3-4.

2nd Motion: Commissioner Phillip Walker moved to maintain the same millage rate, 5.4323. Commissioner Chad McLeod seconded.

The Commission debated:

- Choosing a rate in between the two.
- Not supporting programs without necessary funding.
- The current slide included all budget assumptions.
- The consensus of the Commission supported the requested expenses.
- Selecting a higher rate to provide a buffer to the budget.
- The City cannot keep adding expenses without cutting, if they are not going to increase revenue.
- The Commission was adding a lot without adding a tax increase. Other programs will suffer without a tax increase. It is a little unrealistic to think they will not suffer.
- It was important to use resources strategically. The City could provide for the public safety requests with the existing millage rate.
- Drop in DCoH: Why the big drop between FY'25 and FY'26? Revenues do not grow as quickly as the cost of personnel.
- There were other increases coming for residents. The increases in electric have been unavoidable. There may be base rate increases. The Commission cannot control the fuel rate, but they can control the millage rate.
- Some Commissioners wanted raises for police, fire and general employees. Everything else would take a backseat to those priorities.

Action: Upon roll call vote Commissioners Chad McLeod, Stephanie Madden, Sara McCarley, Mike Musick, and Phillip Walker voted aye. Commissioner Bill Read and Mayor Bill Mutz voted nay. Ayes – five. Nays – two. The motion carried.

Palmer Davis announced the tentative millage rate adopted tonight was 9.01% above the rollback rate.

Proposed 22-041; Appropriations; Budget for 2022-2023 Fiscal Year

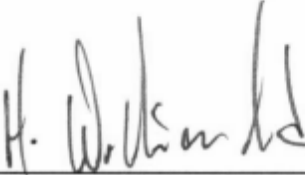
AN ORDINANCE RELATING TO APPROPRIATIONS; PROVIDING FOR THE APPROPRIATION OF MONIES FOR THE CITY OF LAKE LAND, FLORIDA, FOR VARIOUS PURPOSES FOR THE FISCAL YEAR COMMENCING OCTOBER 1, 2022 AND ENDING SEPTEMBER 30, 2023; PROVIDING AN EFFECTIVE DATE.

Palmer Davis read the short title and reviewed the necessary corrections to the ordinance reflecting the lower millage rate.

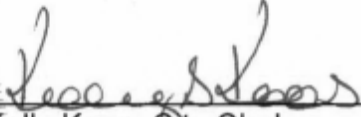
Action: Commissioner Phillip Walker moved to approve the ordinance as amended. Commissioner Mike Musick seconded. Upon roll call vote Commissioners Phillip Walker, Mike Musick, Sara McCarley, Stephanie Madden, Chad McLeod, Mayor Bill Mutz voted aye. Commissioner Bill Read voted nay. Ayes-six. Nays-one. The motion carried.

The Final Budget Hearing was scheduled for September 22, 2022, at 6 p.m.

CALL FOR ADJOURNMENT – 8:22 p.m.


H. William Mutz, Mayor




Kelly Koos, City Clerk