



APPROVED 9/19/2024

MINUTES

City Commission Budget Workshop

5:00 PM – Thursday, July 11, 2024 – City Hall

CALL TO ORDER: 5:00 P.M.

ACKNOWLEDGEMENT OF QUORUM AND PROPER NOTICE

PRESENT: Commissioner Gary Ashcraft, Commissioner Willie Hawkins, Vice Mayor Emily Lee and Mayor Michael Holland

1. WORKSHOP ITEM WITH DISCUSSION AND DIRECTION

1.1 IT

Tom Carrino, City Manager, announced they would begin with IT (Information Technologies) who would highlight the state mandates and security items.

Greg Barron, IT Manager, explained the state mandated that the City implement the NIST (National Institute of Standards and Technology) protocols which necessitate a number of new security measures. He added that the mandate also requires new infrastructure including information event monitoring which records anything that happens. He indicated he also wants to implement access controls so if someone plugs in a non-authorized computer they only have "guest" access. He noted the need to implement new endpoint software and cited tests they held with Homeland Security with Sentinel One. He commented on the City's landline phone system and stated that it will no longer be upgradable for new licenses or phones as of December 2024; however, they will be supported through 2029. He indicated that is inadequate due to the City needing to purchase new phones for new employees. He stated he is looking at a hosted system, such as Lumen, as it has redundancy to provide service even if the internet goes out or any segment goes out they will still have phones and internet. He cited the large cost for the phones.

Mr. Barron stated that the City was supposed to upgrade to Office 365; however, they are still waiting for an agreement between CDW and Microsoft. He indicated he would prefer to upgrade to Microsoft 365 but that would cost an additional \$25,000. He explained that would allow the City to have mobile device management for all of the cell phones and to manage short cuts, updates and emails for the City phones. He noted that the City would save some money as they would be dropping the WatchGuard multifactor and go to the Microsoft platform. He cited the ability to have a password manager and indicated he was considering a federal DOD password manager to save passwords. He cited other security measures recommended through Homeland Security that would prevent the City's passwords winding up on the dark web.

Commissioner Hawkins asked about protections for the City's computer systems against ransomware. Mr. Barron explained there is cybersecurity insurance; however, the state passed a bill that does not allow them to pay anyone. He explained that the City has cloud stored backups and City processes can be back online within 48 hours as long as they didn't destroy the hardware.

The Commission commented that most of what is being requested is mandated with Mr. Barron explaining that all of the notes from the Homeland Security audit were put into the budget. They questioned if there is a way to save money on some of the requirements.

Mr. Barron indicated that much of their software is purchased as a service to save up to 60%. He noted his intent to go to voice over the internet for the phone system which will be able to use any internet connection. He said that at City Hall they will have five connections.

Mr. Carrino noted they will be adding a Network Administrator to help support the existing team effective October 1, 2024.

1.2 Water Customer Service

Lori Carr, Finance Director, reviewed the Utilities - Water Customer Service (WCS) budget under Enterprise Funds. She noted significant increases due to IT expenses. She explained that the IT increases are split 75% to the General Fund and 25% to Utilities. She stated that the Collections Division was added the previous year and indicated it has been very successful.

Commissioner Ashcraft asked about possibly increasing deposits based on credit scores.

Nichole Jenkins, WCS Manager, responded noting that when the water rate increase is considered they will also be looking at the other fees including cut off fees and deposits. She added that they have conducted an extensive review of other area cities. She stated they have gotten a clarification regarding owners versus renters and stated they do not charge owners for a tenant's bill.

Commissioner Ashcraft asked about the credit card processing fees with Mr. Carrino responding that the credit card fees will be incorporated into the utility rate study.

Commissioner Hawkins asked about paperless billing options with Ms. Jenkins responding that all customers have the option to subscribe on the website to paperless billing.

Ms. Carr noted the funding for the night drop box will be removed from the budget due to it being purchased in the current year. She added that the bill printing and folding machines are being replaced and the current equipment will be passed on to the backflow department.

Commissioner Hawkins asked about the A/C system at WCS and IT with Ms. Jenkins explaining a portion was repaired, not replaced. She confirmed it is currently working but she was not sure about the server room.

Ms. Carr reported that the air for the server room is budgeted to be replaced for \$10,000. She indicated the vehicle for meter reading was already purchased so it would be removed from the budget.

Commissioner Hawkins asked about the funds budgeted for City of Leesburg advertising with Greg Dobbins responding that is required by St. Johns to advertise water conservation.

Commissioner Hawkins asked if the City provides the backflow list to vendors with Mr. Dobbins confirming the City provides a list of addresses that need inspecting but not names.

Vice Mayor Lee asked if the City gets a percentage of revenue for the backflow testing.

Mr. Dobbins responded negatively and explained that the City sends letters to the property owners reminding them that their backflow preventer needs to be tested and it provides a list of certified companies that they can get do the inspection. He stated that some of the companies may contact the City for an address list.

Commissioner Hawkins asked why a company would just show up at a resident's home and state they are there to test their backflow preventer with Mr. Dobbins responding that probably they had tested the person's device previously and put them on a list for regular service.

The Commission questioned why the City doesn't receive a percentage of the charges the company gets from the home owners with Mr. Dobbins indicating the City gets the assurance that the backflow preventers are being tested.

The Commission expressed concern regarding the City providing the address lists to the companies and not receiving anything from it. Mr. Carrino indicated that the request from the companies qualifies as a public records request which the City has to respond to.

Mr. Gierok expressed opposition to charging the companies due to a possible conflict of interest. Discussion was held regarding whether or not it would be legal for the City to charge the companies.

1.3 Public Works

Rick Gierok, Public Works Director, reviewed the General Fund expenditures for Maintenance, Building Maintenance, Cemetery, Park Maintenance and Custodial as follows: 1) \$10,000 for vehicle lift repairs; 2) \$20,000 for lift for larger vehicles; 3) Budget for various buildings maintenance; 4) Vegetation maintenance on lakefront; 5) Floating dock maintenance; 6) Cemetery tractor; 7) \$20,000 for America in Bloom projects; 8) New position for Horticulturist to be funded 50% in the General Fund and 50% in Street Improvement Fund; 9) Increase in Overtime of \$5,000 to assist with events; 10) \$100,000 for third party land maintenance contract obtained through RFQ funded \$100,000 under Park Maintenance and \$75,000 under Street Improvement Fund; and 11) \$20,000 increase for Lakewalk floating dock repair.

The Commission asked if there is a Citywide contract for the cell phones with Mr. Carrino indicating that the phones are handled by each department; however, different departments have different service providers due to different needs and coverage in various areas throughout the City. He explained that it has been discussed in the past to try and get everyone on the same service and discussed the issues with that. He stated that Tryon is doing some auditing to make the City more efficient and decided they didn't want to get into that due to the complexity.

Mike Swanson, Fire Chief, explained the Fire Department has to have two services due to dropped calls from one side of the City to the other.

Discussion was held regarding how the City might be able to reduce costs by limiting the providers used.

Mr. Gierok continued his review of the Park Maintenance and Custodial budgets as follows: 1) \$25,000 for fertilizing; 2) \$25,000 for replanting within the City; and 3) Increase in Overtime for \$1,000 to assist with driving for Parks and Recreation and to cover locking City facilities.

Discussion was held regarding the possibility of switching the City rental facilities to self-locking doors with Chief Capri also suggesting that police officers could have a checklist and go around to lock each of the rental facilities and parks at night. He commented on how that would save overtime costs.

Discussion was held regarding the amount to budget for the overtime with an agreement to reduce it to \$1500.

Revenue Funds - Street Improvement 13 Fund

Mr. Gierok reviewed the Street Improvement Revenue Fund with the following highlights: 1) Promoting Chris Helme, the current administrative assistant, to Senior Admin. and hiring a second assistant.; 2) Increase to Operating Supplies to \$2000; and 3) Laptop computer for new assistant.

Commissioner Hawkins asked how many departments have subscriptions to the Orlando Sentinel and the Daily Commercial. He expressed concern regarding the cumulative cost.

Mr. Carrino indicated that the City has reduced the number of subscriptions over the past few years.

4110 Public Land Maintenance

Mr. Gierok indicated that is where the other half of the horticulturist is budgeted. He cited the following changes: 1) Repairs and maintenance reduced \$20,000; 2) Addition of \$10,000 for ornamental plants for various locations; and 3) Replacement of zero turn lawn mower.

Commissioner Hawkins asked about the \$7,000 for temporary labor with Jobey Jones explaining how they have used temps and indicating it could possibly be reduced due to the new positions added. Discussion was held regarding retaining the amount due to the possibility of needing assistance following a hurricane. It was a consensus to retain the budgeted amount.

4120 Lighting and Control

Mr. Gierok explained that is actually the City's sign shop and commented on all they do throughout the City and the state requirements for the signs to be regularly inspected and kept up. He cited the improved equipment for doing the signage; therefore, some of the departments are also budgeting for supplies to do specialty signs. He explained how much the City is saving by doing that.

The Commission questioned the negative \$55,000 for the CRA streetlights with Mr. Gierok indicating the CRA pays for the streetlight expenses for the CRA.

Mayor Holland asked about adding some street lights in the Police Department parking lot.

Mr. Gierok indicated he would look at the issue to see if additional lights are needed. He then cited the additional lighting for SR 19 which is being done by FDOT but the operating cost will be charged to the City.

4130 Street Maintenance

Mr. Gierok indicated that the overall budget for the Street Maintenance Fund is underfunded approximately \$550,000. He cited numerous cuts to the budget his department has made due to that. He explained that some staff were promoted and made salaried and those are the individuals that work the events which reduces overtime. He noted the \$300,000 budgeted for State Road 19.

Commissioner Ashcraft commented on the lack of lighting at the cloverleaf.

Commissioner Hawkins expressed concern regarding the maintenance agreement with FDOT. He asked about the possibility of renegotiating the agreement with Mr. Gierok indicating that he and the City Manager have had numerous discussions with FDOT.

Mr. Gierok indicated they would be having the contractor submit a hard bid for the project. He stated the scope would include all the way from Umatilla to Mount Dora down SR 19 including street sweeping.

Commissioner Hawkins asked what is the average cost for a maintenance employee with Mr. Gierok estimating it would be approximately \$50,000 including benefits. Commissioner Hawkins then asked if it would be advantageous to hire four people to do that maintenance with Mr. Gierok responding that four people couldn't keep up with that much work.

Commissioner Ashcraft asked if it could be done jointly with Mr. Carrino responding he did not think FDOT would agree to that.

Further discussion was held regarding different ideas on how to reduce the maintenance cost for SR 19.

Mr. Gierok suggested that they allow FDOT to continue doing Hwy. 19 and the City take over maintenance of the cloverleaf at 441/19. He indicated he has funding to upgrade the landscaping and FDOT could match that and then the City could have an agreement to maintain the cloverleaf.

Mr. Carrino commented on the project for the islands and what is being done by FDOT. He questioned whether or not the City will have to do the maintenance after the project is done.

The Commission confirmed that FDOT will be contributing \$100,000 towards the project in addition to the City's \$300,000 with Mr. Gierok explaining his expectations that FDOT would only mow once a month and it really would need two to three times per month depending on the time of year.

Discussion was held regarding whether or not to keep the same contractor with Mr. Gierok asking that he be allowed to negotiate with the current contractor and then, if necessary, going back out to bid.

The Commission asked if they could get another \$50,000 out of FDOT with Mr. Gierok indicating he could try.

Discussion was held regarding only doing a portion of the area to see how it goes and thereby reducing the budgeted amount and then coming back if that isn't sufficient. Mr. Gierok indicated that once the City takes on the responsibility, there would be no going back.

RECESS: 6:31 P.M. RECONVENE: 6:47 P.M.

4140 - Lawn Mowing

Mr. Gierok indicated the budget is primarily the same as the previous year; however, they increased the funding for diesel by \$10,000 due to the increased cost for diesel.

4150 - Tree Service

Mr. Gierok explained that is for the City's tree contractor who is Tip Top. He indicated the company's owner passed away so they are working through that. He stated they do the dangerous work but the City's construction crew does some of the other work.

8600 - Capital Outlay

Mr. Gierok cited the \$250,000 budgeted for the US 441/SR 19 cloverleaf improvements. He added that FDOT said that, if the City picks up the MOA, they are willing to put in \$350,000 if the City does the design. That would be with the understanding that the City picks up the maintenance.

049-3700 - Stormwater Fund

Mr. Gierok stated there were no changes in the administration budget. He explained that the \$20,000 under Professional Services is for the City's consultant who assists with preparation of the City's MS4 permit from DEP. He indicated that is a four-year permit that covers citywide.

3710 - Street Sweeper and Drainage Maintenance

Mr. Gierok stated that budget has gone up approximately \$50,000 and covers approximately 50% of the new position. He noted they also added \$3,000 for dumping fees. He explained the City has been picking up more of the large items rather than waiting for Waste Management.

3720 - Retrofit Projects and Stormwater Manage

Mr. Gierok explained the Eustis Street and Gottsche Avenue project for \$25,000. He noted the purchase for a new street sweeper for \$400,000.

The Commission asked if the City is still doing the street sweeping for Umatilla with Jobey Jones responding affirmatively noting the City hasn't done it in two or three months as the City's sweeper has been down. Discussion was held regarding the status of the current sweeper and how the City handles broken down equipment and vehicles.

1.4 Utilities

Mr. Gierok began with the Engineering Division and highlighted the following budget items: 1) Hiring of a second project manager; 2) Movement of the Buyer position to Purchasing; 3) \$350,000 for the pavement assessment study; 4) Promotion of his current administrative assistant to serve as lead over all of their department assistants; 5) Reduction in Office Supplies due to receiving the furniture from the outside source thanks to Commissioner Hawkins; 6) Funding for licensing renewals and training; 7) Replacement of surveying equipment for \$5,500; and 8) Additional AutoCad software user licenses.

Mr. Gierok introduced the following personnel that were present: Greg Dobbins, Max Brundage, Paul Shepherd, and Olivia Kilgore. He commented on how well she performed with inputting the budget. He noted they have submitted an approximately

\$900,000 grant that was just done and which Ms. Kilgore was instrumental in completing.

040-3140 Environmental Protection

Greg Dobbins, Deputy Director for Utilities, reviewed the Environmental Protection budget highlighting the following items: 1) Addition of \$10,000 for NPDES outreach; 2) Removal of FOG/ Industrial pretreatment software which was already purchased; 3) \$3,000 for lift station backflows; 4) Purchase of environmental compliance vehicle for \$35,000; and 5) \$21,000 for backflow software upgrade.

3300 Water Service

Mr. Dobbins explained they have made some changes and stated that Water Distribution has historically also covered sewer piping. He explained that is being change. He explained the reasons for the changes citing a report that must be prepared that will be easier to do with the changes. He explained some of the increases due to increased charges to the City that occurred after the previous year's budget was in place. He also cited required PFAS sampling and explained the issues pertaining to that. He stated they are beginning the required sampling and then they will have five years to establish a treatment program.

Mr. Dobbins reviewed the Water Administration budget highlighting the following items: 1) Increase in Water Bills due to additional accounts; and 2) Explained lease payments to railroad for areas where pipes cross the railroad tracks.

3310 Water Treatment

Mr. Dobbins cited the following Water Treatment budget items: 1) \$80,000 under Professional Services for PFAS engineering services; 2) \$10,450 under Other Contractual Services for the PFAS sampling; 3) Increase in electrical costs for the four water plants; 4) Addition of diesel tank cleaning under Repair and Maintenance; 5) Additional funding under Operating Supplies for various items and 6) Addition of \$6,000 for swing check valve replacement.

Commissioner Hawkins asked about the increase in electrical costs for the water plants and questioned whether or not that would be reduced if they went with the solar array with Mr. Gierok responding that it would. He explained that it would reduce for the eastern water and wastewater plants but not the others.

Discussion was held regarding the solar proposal and whether or not it could be done for the other plants as well with Mr. Gierok explaining it works for the eastern plants because they can put it on the pond but there is no pond at the western plants.

3320 Water Distribution

Mr. Dobbins cited the items moved over to Collections. He then highlighted the following items: 1) \$3,800 for chainsaw purchase; 2) Water pumps; 3) Sewer router; and 4) Purchase of a test pump, tripod and winch.

3330 Ground Maintenance

Mr. Dobbins cited the following items: 1) Increasing funding for uniforms and gas; 2) Repairs to various equipment such as mowers, hedge trimmers, etc.; and 3) Purchase of additional lawn mower.

3360 Eastern Water System

Mr. Dobbins reviewed the following budget items: 1) Additions under Professional Services for an a/c service agreement, service for high service pump, meter calibrations and \$20,000 for the CUP report which is due every ten years; 2) PFAS sampling under Other Contractual Services; and 3) Decrease in Comcast and increase in electrical costs for the Eastern Water Plant and Heathrow Water Plant.

Discussion was held regarding the utility rate study with Mr. Gierok explaining that any of the major capital such as bringing on White Rose were pushed out three years.

Mr. Dobbins continued the division review as follows: 1) Increase in chlorine due to higher cost; and 2) \$10,000 under Capital for hydro tank sensors.

040-3500 Wastewater Administration

Mr. Dobbins began reviewing the Wastewater Department highlighting the following budget items: 1) Decrease in permit renewal of \$55,000; 2) Increase in Professional Services of \$35,000; 3) Increase in uniforms; and 4) Capital Outlay - \$11,000 for copy machine and \$6,000 for server upgrade.

3510 Lift Stations

Mr. Dobbins reviewed the lift station budget as follows: 1) \$10,000 under Professional Services for generator services; 2) Increase in FOG chemicals of \$6,000; 3) \$5,000 increase in natural gas; and 4) \$5,000 increase for tools.

3520 Wastewater Treatment

Mr. Dobbins highlighted the following items under Wastewater Treatment: 1) Addition of a new position for wastewater treatment; 2) Increase for the SCADA contract; 3) Increase in electric; 4) \$15,000 increase in plant maintenance; 5) Chlorine increases; 6) Addition of Allmax software renewal for \$5,000; 7) Removal of CDL classes and licensing; and 8) \$20,000 for diffusers.

3530 Laboratory

Mr. Dobbins reviewed the following Laboratory budget items: 1) Increase in lab supplies; and 2) \$46,000 under Capital for the Laboratory Information Management System software.

3540 Disposal

Mr. Dobbins indicated the diesel tank project was removed and there are no capital items under Disposal.

3550 Sludge Disposal

Mr. Dobbins highlighted the following items: 1) \$7,000 reduction for an electrical job already completed; 2) \$11,400 increase for polymer; and 3) \$15,000 for the belt press pump replacement.

3560 Eastern WW Plant

Mr. Dobbins cited the following items: 1) Increased chemical costs; 2) Omission of repairs for blower maintenance that was completed in the current year; and 3) \$23,500 under Capital for the purchase of a side-by-side UTV for the plant.

3570 Collections

Mr. Dobbins explained this would be a new section in the budget and highlighted the following: 1) Various transfers from the other funds to create the new line items; and 2) \$20,000 for inventory.

3580 Eastern Lift Station

Mr. Dobbins reviewed the following items: 1) Small increase for utilities; 2) Increase in chemical supplies for \$3,000; and 3) Increase for vehicle maintenance.

Mr. Carrino commented that the City has made a small amount of adjustments for the size of the budget. For a \$26 million budget, they made approximately \$18,000 in adjustments. He stated that staff will need to summarize all of the changes and discussion will need to be held regarding the millage rate. He added that the draft budget is based on maintaining the current millage rate and noted that public hearings will be held on that. He indicated that the CRA budget will need to be taken to the CRA Board. He stated there are currently no conflicts with the County or School Board regarding public hearing dates.

Commissioner Hawkins asked when they should talk about residential rehab funding to be paid to the LCAA with Mr. Carrino confirming that would be in the CRA budget.

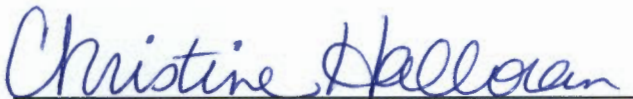
Mr. Carrino thanked the Commission and staff for all the work put into the draft budget. He noted that, while the City is adding a few new positions, it still runs very lean. He confirmed that some of the budget could change based on collective bargaining. He stated that what is currently proposed is a 5% increase plus a prorated \$1,000 bonus.

Lori Carr, Finance Director, indicated they are also still waiting on State Revenue figures.

Mayor Holland thanked staff for their hard work and questioned how long the utility workshop is expected to last with Mr. Gierok responding that will depend on the types of questions asked. He indicated he would make sure the Commission has hard copies of all the information. He added that the consultants will be present to answer questions.

2. ADJOURNMENT: 7:42 P.M.

**These minutes reflect the actions taken and portions of the discussion during the meeting. To review the entire discussion concerning any agenda item, go to www.eustis.org and click on the video for the meeting in question. A DVD of the entire meeting or CD of the entire audio recording of the meeting can be obtained from the office of the City Clerk for a fee.*



CHRISTINE HALLORAN
City Clerk



MICHAEL L. HOLLAND
Mayor/Commissioner