



**City of Palm Coast**  
**Agenda**  
**CITY COUNCIL SPECIAL**  
**WORKSHOP-BUDGET**  
**FOLLOWING BUSINESS**  
**MEETING**

City Hall  
160 Lake Avenue  
Palm Coast, FL 32164  
www.palmcoastgov.com

***Mayor Milissa Holland***  
***Vice Mayor Robert G. Cuff***  
***Council Member Nick Klufas***  
***Council Member Vincent Lyon***  
***Council Member Heidi Shipley***

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**Tuesday, July 17, 2018**

**9:00 AM**

**CITY HALL**

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**City Staff**

**Jim Landon, City Manager**

**William Reischmann, City Attorney**

**Virginia A. Smith, City Clerk**

- > Public Participation shall be in accordance with Section 286.0114 Florida Statutes.
- > Other matters of concern may be discussed as determined by City Council.
- > If you wish to obtain more information regarding the City Council's agenda, please contact the City Clerk's Office at 386-986-3713.
- > In accordance with the Americans with Disabilities Act, persons needing assistance to participate in any of these proceedings should contact the City Clerk at 386-986-3713, at least 48 hours prior to the meeting.
- > City Council Meetings are televised on Charter Spectrum Networks Channel 495 and on AT&T U-verse Channel 99.
- > All pagers and cell phones are to remain OFF while City Council is in session.

**A CALL TO ORDER**

**B PLEDGE OF ALLEGIANCE TO THE FLAG**

**C ROLL CALL**

**D PRESENTATIONS**

**1 PRESENTATION OF THE FY 2019 PROPOSED GENERAL FUND BUDGET AND THE FY 2018 REVISED GENERAL FUND BUDGET**

**E PUBLIC PARTICIPATION**

Public Participation shall be held in accordance with Section 286.0114 Florida Statutes. After the Mayor calls for public participation each member of the audience interested in speaking

on any topic or proposition not on the agenda or which was discussed or agendaed at the previous City Council Workshop, shall come to the podium and state their name. Each speaker will have up to three (3) minutes each to speak. The Mayor will advise when the three (3) minutes are up and the speaker will be asked to take a seat and wait until all public comments are finished to hear answers to all questions. Once all members of the audience have spoken, the Mayor will close public participation and no other questions/comments shall be heard. Council and staff will then respond to questions posed by members of the audience. Should you wish to provide Council with any material, all items shall be given to the City Clerk and made part of the record. If anyone is interested in discussing an issue further or ask additional questions, individual Council Members and staff will be available after the meeting to discuss the matter and answer questions.

**F ADJOURNMENT**

**2 ATTACHMENTS TO MINUTES**

# City of Palm Coast, Florida Agenda Item

Agenda Date : 7/17/2018

<b>Department</b>	FINANCE	<b>Amount</b>
<b>Item Key</b>	3727	<b>Account</b>
<b>Subject</b>	PRESENTATION OF FY 2019 PROPOSED GENERAL FUND BUDGET AND FY 2018 REVISED GENERAL FUND BUDGET	
<b>Background :</b>	The Finance Department will present City Council with the proposed General Fund budget for FY 2019 and the revised General Fund budget for FY 2018.	
<b>Recommended Action :</b>	For presentation only.	

# City of Palm Coast, Florida Agenda Item

Agenda Date : 07/17/2018

<b>Department</b> CITY CLERK <b>Item Key</b> 3862	<b>Amount</b> <b>Account</b> <b>#</b>
<b>Subject</b> ATTACHMENTS TO MINUTES	
<b>Background :</b>	
<b>Recommended Action :</b>	

# Fiscal Year 2019

# Proposed General Fund Budget

Tuesday, July 17<sup>th</sup>, 2018

Helena P. Alves, CGFO, CIA, MBA  
Finance Director

Lina Williams  
Budget Coordinator



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# Budget Preparation Timeline

## January - March

- First Quarter Review
- Annual Financial Audit
- Presentation of Annual Progress Report
- Survey Results to City Council
- Annual Update of the Strategic Action Plan

## April - May

- Review 10 Year Infrastructure Plan
- Departments Begin FY 2019 Budget Preparation
- Second Quarter Review
- Year to Date Budget Results Presentation



# Budget Preparation Timeline

## May – June

- Fund Accounting & Long Term Planning Presentation
- Property Tax & Other Revenues Presentation

## July - August

- General Fund Budget Workshop
- Adopt Maximum Millage Rate (August 4<sup>th</sup> deadline)
- Third Quarter Review
- Capital Funds Budget Workshop
- Proprietary & Special Revenue Budget Workshop
- Final Proposed Budget Presentation



# Budget Preparation Timeline

## September

- Public Hearing to Tentatively Adopt Millage Rate & Budget
- Public Hearing to Adopt Final Millage Rate & Budget

## October – December

- FY 2018 Year End Close-out
- End of Year Review with Departments



# Presentation Overview

- 2019 Millage Rate Proposal
- Proposed Personnel Changes
- Summary of General Fund Revenue & Expenditures
- Proposed Budget by Division
- Millage Rate Options
- Options that Require Additional Funding



# 2019 Maximum Millage Rate Proposal

	Millage Rate
<b>FY 2019 Proposed TRIM Rate</b>	<b>4.5937</b>
<b>FY 2018 Millage Rate</b>	<b>4.5937</b>



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# Proposed Personnel Changes

## New Positions:

- Streets Maintenance:
  - Equipment Operator
  - Signal/Traffic Technician
- Central Services:
  - Safety Coordinator  
(June start date)
- Finance:
  - Business Tax Inspector
- Construction Management & Eng.:
  - Transportation Project Coordinator

## Existing Positions:

- Communications & Marketing:
  - Public Relations Coordinator  
(PT to FT)

**Budget includes 3% average merit raise and 2.9% adjustment to starting salaries in January.**



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# 2018 General Fund Projections

	Budget 2018	Estimated 2018	Change	Percentage Change
<i>Budgeted Expenditures</i>	34,992,438	34,843,042	(149,396)	-0.4%
<i>Transfer to Stormwater Fund</i>	-	200,000		
<i>Hazard Tree Removal Overage</i>	-	177,614		
<b>Total Projected Expenditures</b>	<b>34,992,438</b>	<b>35,220,656</b>	<b>228,218</b>	<b>0.7%</b>
<i>Estimated Revenue</i>	34,992,438	34,872,192	(120,246)	-0.3%
<i>Fund Balance Appropriation</i>	-	348,464		
<b>Total Revenue</b>	<b>34,992,438</b>	<b>35,220,656</b>	<b>228,218</b>	<b>0.7%</b>



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# 2019 General Fund Proposed Budget

	Budget 2018	Proposed 2019	Change 2018-2019	Percentage Change
<i>Operating Expenditures</i>	34,992,438	36,545,282	1,552,844	4.4%
<i>Replenish Fund Balance</i>		360,460		
Total Expenditures	34,992,438	36,905,742	1,913,304	5.5%
Total Revenue	34,992,438	36,905,742	1,913,304	5.5%



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# Administrative Services



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# Administration Summary

## Summary

	Budget 2018	Proposed 2019	Change 2018-2019	Percentage Change
Administration	3,957,809	4,126,725	168,916	4.3%
	Budget 2018	Proposed 2019	Change 2018-2019	
Personnel (FTE)	27.00	29.00	2.00	

	Budget 2018	Estimated 2018	Change	Percentage Change
Administration	3,957,809	3,870,853	(86,956)	-2.2%

*Includes:*

*City Council, City Manager's Office, Communications & Marketing, Central Services, City Clerk's Office, Human Resources, City Attorney, Economic Development and Financial Services*



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# City Manager's Office

	Budget 2018	Proposed 2019	Change 2018-2019	Percentage Change
Expenditures	381,009	397,913	16,904	4.4%

	Budget 2018	Estimated 2018	Change	Percentage Change
Expenditures	381,009	379,038	(1,971)	-0.5%



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# Communications & Marketing

	Budget 2018	Proposed 2019	Change 2018-2019	Percentage Change
Expenditures	426,734	455,574	28,840	6.8%
	Budget 2018	Proposed 2019	*Change 2018-2019	
Personnel (FTE)	3.5	4.0	0.5	

\* Public Relations Coordinator (PT to FT)

	Budget 2018	Estimated 2018	Change	Percentage Change
Expenditures	426,734	424,886	(1,848)	-0.4%



# Central Services

	Budget 2018	Proposed 2019	Change 2018-2019	Percentage Change
Expenditures	350,794	405,366	54,572	15.6%

  

	Budget 2018	Proposed 2019	*Change 2018-2019
Personnel (FTE)	4.5	5.5	1

\* Safety Coordinator (start June 2019)

	Budget 2018	Estimated 2018	Change	Percentage Change
Expenditures	350,794	349,056	(1,738)	-0.5%



# City Clerk's Office

	Budget 2018	Proposed 2019	Change 2018-2019	Percentage Change
Expenditures	182,286	164,410	(17,876)	-9.8%

	Budget 2018	Estimated 2018	Change	Percentage Change
Expenditures	182,286	168,544	(13,742)	-7.5%



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# City Attorney

	Budget 2018	Proposed 2019	Change 2018-2019	Percentage Change
Expenditures	470,391	526,473	56,082	11.9%

	Budget 2018	Estimated 2018	Change	Percentage Change
Expenditures	470,391	520,086	49,695	10.6%

Note: Includes half of City Clerk/Paralegal and City Attorney costs.



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# Financial Services

	Budget 2018	Proposed 2019	Change 2018-2019	Percentage Change
Expenditures	938,231	943,914	5,683	0.6%

  

	Budget 2018	Proposed 2019	*Change 2018-2019
FTE	14.00	14.50	0.50

*\*Move 50% Compliance Manager to Building Fund*  
*\*Business Tax Inspector*

	Budget 2018	Estimated 2018	Change	Percentage Change
Expenditures	938,231	934,212	(4,019)	-0.4%



# Human Resources

	Budget 2018	Proposed 2019	Change 2018-2019	Percentage Change
Expenditures	556,102	602,828	46,726	8.4%

	Budget 2018	Estimated 2018	Change	Percentage Change
Expenditures	556,102	543,237	(12,865)	-2.3%



# Economic Development

	Budget 2018	Proposed 2019	Change 2018-2019	Percentage Change
Expenditures	433,447	473,191	39,744	9.2%

	Budget 2018	Estimated 2018	Change	Percentage Change
Expenditures	433,447	432,836	(611)	-0.1%



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# Community Development



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# Construction Management & Engineering

	Budget 2018	Proposed 2019	*Change 2018-2019	Percentage Change
Expenditures	1,973,900	1,230,968	(742,932)	-38%

*\*Direct cost versus allocation of CM&E Stormwater & Utility Costs*

	Budget 2018	Proposed 2019	**Change 2018-2019
FTE	20.25	21.25	1.00

\*\*Transportation Project Coordinator

	Budget 2018	Estimated 2018	Change	Percentage Change
Expenditures	1,973,900	1,964,150	(9,750)	-0.5%



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# Planning

	Budget 2018	Proposed 2019	Change 2018-2019	Percentage Change
Expenditures	1,585,015	1,661,509	76,494	4.8%

	Budget 2018	Estimated 2018	Change	Percentage Change
Expenditures	1,585,015	1,560,626	(24,389)	-1.5%



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# Code Enforcement

	Budget 2018	Proposed 2019	Change 2018-2019	Percentage Change
Expenditures	2,343,520	2,465,912	122,392	5.2%

	Budget 2018	Estimated 2018	*Change	Percentage Change
Expenditures	2,343,520	2,521,134	177,614	7.6%

\*Hazard Tree Removal from Irma



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# Public Safety



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# Law Enforcement

	Budget 2018	*Proposed 2019	Change 2018-2019	Percentage Change
Expenditures	3,338,578	3,505,503	166,925	5.0%

	Budget 2018	Estimated 2018	Change	Percentage Change
Expenditures	3,338,578	3,338,578	-	0.0%

- \*Per contract with FCSO:
- (1) Commander
  - (3) Sergeants
  - (2) Corporals
  - (21) Deputies
  - (1) School Resource Deputy



# Fire

	Budget 2018	Proposed 2019	*Change 2018-2019	Percentage Change
Expenditures	8,648,477	8,931,687	283,210	3.3%

	Budget 2018	Estimated 2018	*Change	Percentage Change
Expenditures	8,648,477	8,747,897	99,420	1.1%

\*Employee Retirements, EMS Grant (\$16k)



# Parks & Recreation



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# Parks & Recreation

	Budget 2018	Proposed 2019	*Change 2018-2019	Percentage Change
Expenditures	1,613,432	2,089,883	476,451	29.5%

\*additional staffing hours for programs & facilities

	Budget 2018	Estimated 2018	**Change	Percentage Change
Expenditures	1,613,432	1,624,980	11,548	0.7%

\*\*Increased Electricity/Water



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# Tennis Center

	Budget 2018	Proposed 2019	Change 2018-2019	Percentage Change
Expenditures	292,398	324,328	31,930	10.9%

	Budget 2018	Estimated 2018	Change	Percentage Change
Expenditures	292,398	288,629	(3,769)	-1.3%



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# Golf Course

	Budget 2018	Proposed 2019	Change 2018-2019	Percentage Change
Expenditures	1,546,037	1,572,365	26,328	1.7%

	Budget 2018	Estimated 2018	Change	Percentage Change
Expenditures	1,546,037	1,528,106	(17,931)	-1.2%



# Public Works



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# Parks Facilities Maintenance

	Budget 2018	Proposed 2019	Change 2018-2019	Percentage Change
Expenditures	2,111,527	2,226,741	115,214	5.5%

	Budget 2018	Estimated 2018	Change	Percentage Change
Expenditures	2,111,527	2,101,853	(9,674)	-0.5%



# Streets & Drainage

	Budget 2018	Proposed 2019	Change 2018-2019	Percentage Change
Expenditures	6,332,254	6,975,975	643,721	10.2%
	Budget 2018	Proposed 2019	*Change 2018-2019	
FTE	53.30	55.30	2.00	

\*Equipment Operator  
\*Signal/Traffic Technician

	Budget 2018	Estimated 2018	Change	Percentage Change
Expenditures	6,332,254	6,313,127	(19,127)	-0.3%



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# Non-Departmental



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Includes:

- RSVP Grant
- Cultural Arts Grants
- Historical Society Grant
- Lobbying Contract
- CRA TIF

# Non-Departmental

	Budget 2018	Proposed 2019	*Change 2018-2019	Percentage Change
<i>Expenditures</i>	1,113,045	1,333,687	220,642	19.8%
<i>Value Adjustment Contingency</i>	136,446	100,000		
<i>Replenish Fund Balance</i>		360,460		
<b>Total Expenditures</b>	<b>1,249,491</b>	<b>1,794,147</b>	<b>544,656</b>	<b>44%</b>

\*Increase in TIF & Facilities Allocation

	Budget 2018	Estimated 2018	Change	Percentage Change
<i>Expenditures</i>	1,113,045	1,160,723	47,678	4.3%
<i>Contingency</i>	136,446	-		
<i>Transfer to Stormwater Fund</i>	-	200,000		
<b>Total Expenditures</b>	<b>1,249,491</b>	<b>1,360,723</b>	<b>111,232</b>	<b>9%</b>



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# Millage Rate



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# Millage Rate History

Fiscal Year	Property Value	% Change over Prev Year	Operating Millage	Capital Millage	Total Millage	Ad Valorem Receipts
2008	7,009,877,421	12.34%	2.2123	0.75	2.96234	20,184,340
2009	6,131,965,169	-12.52%	2.6123	0.35	2.9623	17,602,781
2010	5,246,998,187	-14.43%	3.15	0.35	3.5	17,828,406
2011	4,463,085,550	-14.94%	3.5	-	3.5	15,048,300
2012	3,891,594,126	-12.80%	3.54	0.45	3.99	15,000,700
2013	3,646,122,021	-6.31%	4.1502	0.1456	4.2958	15,120,750
2014	3,690,312,857	1.21%	4.1932	0.0773	4.2705	15,203,633
2015	3,892,358,641	5.48%	4.1609	0.0841	4.245	15,963,477
2016	4,142,103,986	6.42%	4.0828	0.1622	4.245	16,973,093
2017	4,324,453,760	4.40%	4.112	0.133	4.245	17,714,800
2018	4,612,577,686	6.66%	4.3461	0.2476	4.5937	20,447,190
<b>Change 2008-2018</b>	<b>-2,397,299,735</b>	<b>-34%</b>	<b>2.1338</b>	<b>-0.5024</b>	<b>1.63136</b>	<b>262,850</b>

**FY 2019 July 1<sup>st</sup> Estimate of Taxable Value is \$5,002,780,162 (8.46% increase)**



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# Millage Rate Options

**2018 Millage Rate** 4.5937

**2019 Proposed Rate** 4.5937

**2019 Majority Vote Rate** 6.3813

**2019 Two-thirds Vote Rate** 7.0194



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# 2019 Maximum Millage Rate Proposal

	Millage Rate	Taxes Generated*	\$ Change FY 18-19	% Change FY 18-19
<b>2018 Millage Rate</b>	<b>4.5937</b>	<b>\$20,447,190</b>		
<i>General Fund Portion</i>		\$19,344,600		
<i>Stormwater Fund Portion</i>		\$502,590		
<i>Capital Projects Fund Portion</i>		\$600,000		
<b>2019 Proposed TRIM Rate</b>	<b>4.5937</b>	<b>\$22,176,927</b>	<b>\$1,729,737</b>	<b>8%</b>
<i>General Fund Portion</i>		\$21,656,927		
<i>Stormwater Fund Portion</i>		\$520,000		

\* Based on City's historical collection rate



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# Options Not Currently Funded



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# Options Not Currently Funded

Option	Budget Impact
RSVP Request for additional funding	\$5,000
Smart City Technology Improvements	\$500,000
<i>Applications &amp; System Evaluation</i>	
<i>ERP Streamlining and Integrations</i>	
<i>Employee Emergency Notification Application</i>	
<i>Routing Application Integration</i>	
<i>Cloud Based Office Application Pilot</i>	
<i>RFID Inventory System Pilot</i>	
<i>Various Miscellaneous Smart City Applications</i>	
<i>Phone System Improvements</i>	



# Funding Options

- Do not fund
  - Increase Fund Balance by \$360,000
- Partially fund Smart City technology improvements
  - Use \$360,000
  - Increase millage rate
- Fully fund Smart City technology improvements
  - Increase millage rate by .1052 (add \$360,000 to fund balance)
  - Use \$360,000 and increase millage by .03

<b>Millage</b>	<b>Amount</b>	<b>Impact to Avg Tax Bill</b>
0.03	\$140,000	\$3
0.1052	\$500,000	\$11



# Looking Ahead

**July 31<sup>st</sup>**

Adopt Maximum Millage Rate (August 4<sup>th</sup> deadline)

**TBD**

Budget Workshop - Capital Funds

**Aug 14<sup>th</sup>**

Budget Workshop - Proprietary & Special Revenue Funds

**August 28<sup>th</sup>**

Final Proposed Budget Presentation

**September:**

Public Hearing to adopt tentative millage rate and Budget & Final Public Hearing to adopt final millage and budget



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