AGENDA MINUTES
CITY COMMISSION MEETING
CITY HALL, 501 W MEADOW STREET
THURSDAY, JULY 6, 2023 5:30 PM

1. CALL TO ORDER

The City of Leesburg Commission held a budget workshop on Thursday, July 6, 2023, at Leesburg City Hall. Mayor ProTem Connell called the meeting to order at 5:30 p.m. with the following members present:

Commissioner Allyson Berry
Mayor ProTem / Commissioner Jay Connell
Commissioner Mike Pederson (5:32 p.m.)
Commissioner Alan Reisman
Mayor Jimmy Burry (5:32 p.m.)

Also present were City Manager (CM) Al Minner, City Clerk (CC) J. Andi Purvis, City Attorney (CA) Grant Watson, the news media, and others.

INVOCATION

Mayor ProTem Connell gave the invocation followed by the Pledge of Allegiance to the Flag of the United States of America.

PLEDGE OF ALLEGIANCE TO THE FLAG OF THE UNITED STATES OF AMERICA

2. PRESENTATION

<u>PROPOSED FISCAL YEAR 2023-24 BUDGET</u>:

CM Minner stated this was the first workshop for the FY 2023-24 budget. There are three scheduled budget workshops. Tonight, we will review the general fund. Tuesday, will look at special revenues, the electric, and gas departments. Thursday, will finish up with the rest of the enterprise funds; water, sewer, airport, solid waste, and storm water. We will also look at housekeeping and transfer type funds, like pension and interservice funds. The general fund consists of all the general service budgets; the city commission, public outreach/administration, city clerk, city attorney, human resources, planning and zoning, recreation. The public works fund covers streets and park maintenance. The police and fire funds are the lion's share of the general fund.

He started by saying this year's general fund budget compared to other years was relatively easy to balance due to the big tax change. However, the enterprise funds were a bit more difficult and that was because we leveraged the enterprise funds to get general fund growth. This year the big change in the general fund was due to the significant growth which does not include The Villages. That opened up a chance for them to take a snapshot forward and look at FY 2024-25. Most everything in the general fund stayed the same. There are a few deviations which include additional maintenance items for Venetian Gardens and other areas. However, overall it pretty much remained the same. He wanted to start with some high level stuff, then break it down by departments, and then end with questions from the commission. Finally, he would like to get some recommendation from the commission to formulate the DR-420. For the new commissioners, there are two ways that was set up. There was a resolution passed at a previous meeting for the potential fire assessment fees of one hundred and sixty-five dollars. That would go in the trim notice which is sent out in August. By the end of the month, they have to submit the DR-420, which is a fancy word for the form that is submitted to the county to prepare the trim notices. That form needs to be submitted by the end of July. That form tells the maximum millage rate without doing your own advertising for the trim notice. The fire assessment fee and the millage rate go on the trim notice that comes out in August. That puts the public on notice of the maximum taxes. In September they will approve the millage rate and the budget by two resolutions. The first thing in the FY 24 proposed budget that is significant is the change to our taxing policy. They had talked about it a lot already and he did not want to beat the dead drum by going over it again. When they get to some of the charts he will show other things they may want to consider.

Moving into the proposed budget, they significantly decreased the ad valorem millage rate from 4.192 mills to the proposed budget of 3.4245 mills. That reduction makes up for the fire assessment rates that he previously recommended being double. So, on an equivalent residential unit (ERU) basis, that would go from $87 per year to $165 per year. The commercial, industrial, warehouse, and institutional facilities would be doubled. It will bring in an additional revenue of 1.2 million dollars. It also gets our fire fees where they are isolated to an assessment versus the millage rate. That will allow new millage rates to come in and not have to go towards fire services. That is an elaborated good philosophy for taxing. They also eliminated the differential between new village residents and existing city residents. That was really important, so everybody in Leesburg would pay the same rate whether you have The Villages Fire Services or City of Leesburg Fire Services. No matter where you live, that number will be the same. With that $165, we will be very competitive in our region. Most municipalities collect somewhere around 80 to 90 percent of potential fire assessment fees and have a fire assessment fee somewhere around two hundred dollars per year. We will still be a little low on maximum capture and on annual totals. At the 3.4 millage rate and $165 ERU for fire assessment fees, we are still a relatively low tax assessment municipal corporation.

The next big item in the budget, which was implemented on June 12th, was the pay increase plan. We now have a starting salary of $15 per hour. There was a formulaic approach to address compression. They increased the police officers starting, which would now be a tick over sixty grand. The existing officers with more than one month but less than a year of service get $60,300. There is no compression issue there and all other officers receive sixteen percent. Firefighters received a five percent increase and they increased the paramedic incentive pay and gave them time worked for a total increase estimated at around seven percent. The salary increases pursuant to the commission's direction and the resolution passed went into effect July 1st. The employees will receive the benefits of FY 24 in the last quarter of FY 23. They will reconsider COLAs and merit raises for fiscal years 2024-25 in October of 2024.

He highlighted a few items of interest; last year we robbed some money from the workers' comp fund to stabilize the health insurance fund and that worked out really well. So far to date, the health insurance fund is hanging in there and they do not have any major increases. The bad side of the equation is our worker's comp claims are way up this year for various different reasons. When we increased that by fifty percent, our total across the board for workers' comp charges was half of that 1.2 million. That was about $680,000. We increased that to replenish the cash, but not only do we need to replenish the cash, now we are paying some higher insurance claim costs, so they kept the workers' comp rate at fifty percent higher, which is a 1.2 million dollar total cost. That gets thrown into the workers' comp fund and the general fund pays around sixty-five percent of that amount. They would talk more about the specific numbers on Thursday of next week. With property liability, auto insurance, and general liability insurance, they see an increase of about thirty eight percent or four hundred and seven thousand dollars.

He proposed taking money from the Carver Heights CRA and transferring it back to the general fund. They would have three designated officers that would work just in the Carver Heights CRA area to help with safety concerns and those types of things. He sees this as a bridge the gap type of action. The police department struggles with fighting crime because of low pay that hurts both recruiting and retention. They currently have a low number of officers on the budget along with significant vacancies. To increase the number of officers, they needed to increase their pay. They also have areas of concern for the safety in the Carver Heights area. That CRA money is an eligible expense and, as property taxes start to rise with new revenue, they can feed that money back to the CRA for other things. This is for sustainability and the immediate reaction for more public safety.

On a good note, we are keeping the fleet leases at seventy-five percent. The fleet lease is an item where we charge ourselves for all vehicles that are purchased. For example, if every new car was ten thousand dollars, they would depreciate that amount over the value of the car. So, over ten years, it would be two grand from whatever department purchased the car. They have to pay that two thousand dollar lease payment to the fleet fund and that generates the money that we use to purchase new equipment. That is always a significant hit on the budget and we generate about 1.5 million dollars with the fleet lease at seventy-five percent. They reduced the fleet fund to seventy-five percent and over a ten-year span, each department contributes an "x" amount depending on how much the vehicle was purchased for. They reduced that number, trying to shrink the fleet and save money. He thought there would come a time where we would be back to one hundred percent, but that was ten years ago and we are still at seventy-five percent. They have not gone back to that number, but the fleet fund is hanging on.

Another change in the general fund, which falls under the commission budget, is to change the holiday program for employees. It would be more of a benefit to the employees. The holiday party came back after the covid times. Historically, we had a holiday luncheon for the employees and that cost was about ten thousand dollars. Back then, everybody came to the luncheon and the city provided a big spread and they did a raffle for door prizes. Everybody appreciated the luncheon, but when covid hit a couple of years ago, the luncheon was cancelled. They decided to give everybody a one hundred dollar gift card. In his opinion, it went over better than the luncheon. He had noticed attendance dropping at the luncheon since covid, which is why he thought it would be a better benefit for the employees if they provided a gift card instead of the luncheon. Each gift card would be budgeted at $105.92 because they have to pay a service fee for the card and each employee ends up with one hundred dollars. The cost differential from the luncheon to the gift cards is about forty-five thousand dollars. Those funds were weaved into the city commission budget.

On the revenue side, other than the taxes, there was not a lot to report on. Fines and forfeitures and state revenue are all pretty consistent and there was a change with the transfer from the Carver Heights CRA fund into the general fund. In years past they have talked a lot about the relationship between the enterprise funds and the general fund. He wanted to save that conversation for Tuesday's workshop. They will drill down into the electric fund issues, but that is the core of our business, and it is really important to understand. The general fund in Leesburg is different than other municipal corporations around the state because we rely on enterprise transfers. The lion's share of the enterprise transfers is the electric fund. We have endeavored to control that just like our counter municipal corporations. Other municipal corporations function on three big revenues. State shared revenues just like we have and ad valorem taxes. Where we start to see the differential is in non-municipal electric utilities. Based on location, those cities tend to be more urban. When they get more urban, property values go up, so the taxing power of a non-electric urban municipal corporation has more taxing power. They can generate more revenue. State shared revenues are another big one, and franchise fees. We have franchise fees and utility taxes. State shared revenue, property taxes, and franchise fees/utility tax are three revenue sources that eighty percent of a municipal corporation's general revenues have if they do not have an electric utility. On our side of the house, we have forty percent taxes and forty percent enterprise fund transfers. Those two gears, the enterprise transfers and taxes, turn the general fund expenses. We need to keep in mind, especially after this past legislative session, that our enterprise transfer fund is under attack. Moving forward, we really have to manage that. Over the past ten years, the strategy has been to be a utility first, but those numbers are becoming more of what a typical municipal corporation looks like, which is good, and we need to continue that philosophy moving forward. The proposed house bill that would significantly change the dichotomy of how the city transfers funds ultimately died with the creation of a utility authority for GRU. However, the legislators that pushed for that bill left the session with the promise that they would be back. They did not get everything they wanted and to paraphrase that, they are coming after the municipalities next year. Next year means January. Two big things we can do are to manage the enterprise transfer issue and quickly put together the utility authority which will be an agenda item in the next couple of meetings. That way, the city can function and look more like a utility authority because of the financial decisions we have made with the charter amendment for the franchise transfer and other things. Those are good things, but there are a couple more he would bring to their attention shortly.

Starting off with the general fund, they looked at the ad valorem growth rate. This year they have seen twenty-four percent growth, which is the biggest since he has been here. The best thing about that number is that it does not include The Villages' growth. 2.5 billion is the total taxable value and they need to break that down into four general fund enterprises. First, the general fund is the granddaddy of them all. Last year we were at 1.2 billion dollars of taxable value and that is different from the assessed value. The taxable value is the value you are taxed on from the assessed value, which includes exemptions. It would be the value of a church or the value of a house with homestead exemption. Last year's taxable value after exemptions was 1.2 billion and this year we are looking at 1.5 billion. That equals 31% growth. The GLCRA, which is referred to as the Downtown CRA, grew from 166 million to 192 million. That was 15% growth, which is the bigger grower of the CRAs. The Carver Heights CRA grew from 130 million to 146 million, at a 12% increase. Highway 441/27 CRA grew from 526 million to 594 million, which is 13% growth. If you put all those numbers in the hopper, the total taxable value would be 2.5 million, and a 24% increase. However, they have to break down each of them because incremental values go into each respective fund. With the taxable value number of the general fund, they will drill down and focus on the tax plan and the increase in the fire assessment fees. It will help folks save money because it would decrease taxes. They had to figure out how to balance that transfer for the existing taxpayers. They came up with a proposal of 3.4 mills, which would generate 6.7 million. He would be remiss if he did not throw the numbers at the commission. It was not to confuse or entice them to make a tax increase or anything like that, but it was important information that they needed to know. The rollback rate is important to talk about because that is the statutory barometer of how we set our millage rate. The rollback rate is the tax rate we issue. It does not create a tax increase on existing properties. New growth is separate and that comes in on top of that, but they always calculate the rollback based on last year's folks, so they do not get a tax increase. In order to generate the same revenue that we did last year (not including new growth) the millage rate would need to be 3.4752. If they adopted the budget at this rate, they would actually receive another one hundred grand. The current rate is 4.0192. If they tax anything over 3.4752, it would be considered a tax increase. If they use the current rate of 4.0192 mills, it would generate almost 1.2 million dollars more than what is being proposed. That would be a tax increase. If we go with the rollback rate, which is a little bit more than what we programmed, that would be almost 1.1 million dollars more. This would be a significant increase in that value, so that number obviously needs to go down. The average house in Leesburg has a property value of about $225,000 less homestead exemption, which comes out to $175,000 for taxable value. For a house like this next year, at the 4.0192 millage rate, their tax bill would be $703. If they added in the fire assessment of $87, that made their total tax bill $790. Next year, if they kept the current millage rate, the number would go up three percent if the house was already homesteaded. The taxbill would go from $703 to $724 and if they added in the new fire assessment fee, the total taxbill would be about $890.00. They thought that was a big number, so they proposed reducing taxes to 3.4245. On a home valued at $175,000 the tax bill would be $617 and that is a decrease. Even if they added the fire assessment increase, there would be a substantial decrease in property taxes. If they went with the rollback rate, that is almost a break even for the taxpayer. The taxes would not go up as much. With the proposed rate, it would be significantly less. Remember the magic number is $175,000. If your house value is below $175,000, it is more impacted by the increase in the fire assessment. They cannot get that break for the taxpayer. If the house value is above $175,000, you bank, because the value is so much more significant than the fire assessment fee. The $175,000 average house turned out to be the middle ground. There are two tax numbers that they really need to think about: 3.4245 and 3.47. They can talk about that on Monday because they have to get the DR-420 form out. The number put on the DR-420 is as high as they can go. It does not mean they are going to go that way, because they can go lower, but we cannot go higher unless we do our own process, which we do not want to do. Reasonably, the current rate is one that they need to abandon. The proposed rollback rate sets the city up well for the bulk of the three thousand two hundred units coming in from The Villages. When it came to The Villages, he wanted to look forward to next year. That 23% number they saw this year was really significant and they are hoping next year it will pale in comparison. The Villages are in the process of building three thousand two hundred units. They currently build about 300 units per month and property taxes are in the rear, so everything that is built by December 31st will be counted for next year. Whatever that magic number is, which he guessed would be almost the whole thing of 3,200 units. Those units will be on the tax bill for FY 2024-25. The sale value of those homes will be somewhere between three hundred and seventy-five thousand to half a million dollars. They are being super conservative by saying less than three hundred and fifty thousand dollars for homestead exemption. They took that number from their sales listed in the paper. If every house is worth three thousand dollars and we get three thousand two hundred homes, we would take three thousand two hundred times three thousand and that comes out to nine hundred and sixty million dollars. That is almost a billion dollars, so that 1.5 billion in Leesburg this year could be almost 2.5 billion this time next year. For revenue purposes, if we use the current millage rate it would be 3.8 million, if we use the rollback millage, we are looking at 3.3 million dollars, and the proposed millage would be about 3.2 million new dollars. That is a 30% increase in ad valorem rates. It could even be 50% because we are bringing in 6.7, so they could round that up to fifty percent growth in ad valorem. That is humongous. He would like to put forth this concept and they have a year to talk about it. It would be really important to think about how they spend that before it gets matriculated and then in three or four years they will be sitting back wondering where it all went. He recommended that they need to look at reducing the surcharge. The surcharge is a charge that they put on utilities. It represents the utility sales tax. If they look at the big three non-electric municipal corporations, every municipal corporation in the State of Florida has the power to charge taxes on utility bills up to ten percent. He would not say every municipal corporation does it, but pretty much every municipal corporation does. That ten percent revenue is huge for a municipal corporation.

In the 1980's, municipal utilities fought to have a similar charge, not a tax, but a surcharge for customers that were on the system with the justification that they expanded the infrastructure into unincorporated areas. We have a rural history of electric utilities and back in the day when we built the system, Leesburg was rural. Leesburg was the HUB and our system grew outside our boundaries because Duke did not bring power out to the houses. If they lived on Silver Lake, Duke would not bring power out to them, but the City did. That is significant and that was the root of the surcharge. All customers in the city system that are not in a municipal corporation, which would be Leesburg and Fruitland Park, pay the surcharge.

In the City of Leesburg, if you live on Main Street you are in the City of Leesburg and you are on the city system. You will pay your electric fee and utility tax. If you are a customer in Fruitland Park, you will pay the City of Leesburg electric bill along with a Fruitland Park franchise fee and utility tax. If you live in unincorporated Lake County and you are on Leesburg electric, you will pay the Leesburg electric bill and a surcharge. The surcharge is taxation without representation. That surcharge will affect enterprise transfers. In the future we need to look at how we can wean the general fund off of that. The battle cry of the municipal electric utilities, which came from the segment of the state legislature, was that municipalities should not be in the utility business. It is taxation without representation and the unincorporated residents do not have a voice in rate making. He does not agree with any of that, except for taxation without representation. It really is not taxation, it is a surcharge, but for the sake of argument, if it walks like a duck, looks like a duck, it is a duck. That surcharge is something they need to be mindful of in the future. **Commissioner Pederson** asked if Duke and FPL had a surcharge or tax. **CM Minner** answered they do not. For example, if they were an investor-owned utility for someone who lives in Arlington Ridge who is on Duke, they would pay the Duke electric bill and a six percent franchise fee to the City of Leesburg based on their consumption. They would also pay a 10% utility tax to the City of Leesburg because it is our right to charge that utility tax and every city does it. If you are an investor in utilities, you will see a municipal corporation utility tax and a franchise fee of six percent. If you live in the city and you are connected to Leesburg electric, they would pay the electric bill, and the utility tax. They would not pay a franchise fee because they got that in the transfer. Fighting the surcharge is an outside of the limits thing and everybody will agree that when someone from Silver Lake runs into you at Publix with concerns about their electricity, we listen and they bring that concern to this commission. While it is not recognized by the state legislature, everybody in this room can agree that unincorporated residents have more of an influence on rates, than if they went to Tallahassee to the Public Service Commission. Locally, we control it. We saw that back in September and we feel it every day. These are the arguments being thrown at us. At the end of the day, the doomsday scenario would be that we have zero to transfer. He does not think there will ever come a time where the state forces municipalities out of business, because it will not happen due to infrastructure reasons, bonds, and debt issues. They will never be able to split that pie, but there could be legislation that says you run your electric utility and every penny has to stay in that utility. That would be doomsday. **Commissioner Pederson** wanted to be clear that utility companies pay a dividend and we do transfers. **CM Minner** replied yes. They pay dividends which are 10% to 12% as allowed by the Public Service Commission. They have to report the dividend to the Public Service Commission. **Commissioner Pederson** wanted to make sure all the commissioners understood that.

CM Minner continued to say on The Villages and revenue, they need to look at reducing that. They also need to fight to add additional officers for safety reasons and our staffing levels are too low. Eventually, the chief would like to have 90 employees. If they put 1.1 million dollars into that next year, that would add twelve and that would put them at eighty-five employees. That would be a big jump next year. They also need to save money for capital improvement projects. Even if they do not have a project, they cut a check, and put it in the capital reserve fund and they only spend it after it has been banked. It would be like when they sold the fiber system where they spent it resourcefully on major influencing projects. There are a million scenarios, but it was important to get that out. As we move forward into next year, everybody needs to think about where we are going. It should be a clean, easy plan. With the fire assessment fee proposal, it would be $165 per residential dwelling unit and the other categories are nine cents per square foot for commercial, four cents for industrial/warehouse, twenty eight cents for institutional, and six cents for churches. Churches have an exemption for their sanctuary only. Another exemption would be for low to moderate incomes. There are about twenty of them. Those are reviewed by staff pursuant to the ordinance, an empty lot in a mobile home park is a sanctuary exemption. Those are the three exemptions. If they put all that together, the city would collect 2.9 million dollars, which is a 1.2 million dollar increase. Positions in the general fund are a net change of six: customer service, accounting and police staff were previously approved. In the other funds, two positions are being added to the electric department and one to the building department. Looking at general fund revenues, it is up about ten percent, around 33.5 million. Referring to a slide, he showed a pie chart that broke down each revenue category. The biggest revenues are state shared revenues, ad valorem taxes, franchise fees, and utility taxes. He would like to see the other sources more squeezed and taxes become a larger number.

The general fund cash is staying pretty stable, and that is good. We were at 13.5 million in October 2016. They project to be about 13.3 million by the end of this fiscal year. That is a good, healthy, stable number. If they want to cut into that for different projects, they will need to stay above the reserve requirement, which hangs around 6 million dollars. That is based on the GFOA's recommendation of having ninety days for cash. In the past, they talked about bringing that down and they would hang out around 9 or 10 million dollars. It would be a lower number and it would give some cash to do different capital improvement projects. Right now, he suggested hanging on to the cash. Let the market come back before spending that cash. We are not rich, but we are not broke. We are sitting pretty nicely. That was the major overview and the biggest change will be personnel changes. All the numbers reflect the modification that we did to the pay reimbursement, which actually was a goal, so they can check that one off.

GENERAL FUND:

CM Minner stated the City Commission fund has pretty much remained the same. The only change there is the $39,338 to $82,381 in operating expenses. That was for employee gift certificates. Everything else remains the same. **Mayor Burry** asked about the promotional item, 4810. Are they spending additional revenue on advertising? **CM Minner** answered that it would be for gift cards, pens, pencils, and greeting cards. Stuff that is sent out on the commission's behalf. **Commissioner Pederson** questioned the rate on bonds. On page 19, there was an electric revenue bond and he saw a rate of 564 to 59. He wondered if they were not allowed to prepay. **FD Willams** responded but the microphone was unable to pick up his response. **Commissioner Pederson** added that it was not a bad rate, and all the other ones are low. **CM Minne**r said all the lower ones were refunded. **Commissioner Pederson** wanted to clarify that this was redone once. **FD Williams** replied again, but the microphone did not pick up his response.

The Executive fund has two divisions. The Public Outreach (Lakefront TV) with Facci Bella remains the same. The Administration covers his department's expenses and that remains the same. **Commissioner Pederson** stated he has been on the commission for four and half years and he still learns stuff about the budget. However, with Lakefront TV and the contract with Facci Bella Services, we budgeted $178,250 and that covers payroll for all their employees. **CM Minner** stated that was their total operational expenses. **Commissioner Pederson** added that in the past there has been an area of confusion through discussions about Lakefront TV.

The City Clerk fund pretty much remains the same.

The City Attorney fund also remains about the same. It is up a bit, but that was due to the shifting from McLin to Stone and Gerken.

Miscellaneous is a bit different. That is where we bank money for vacation buybacks for employees. The $205,450 represents the delta payment that the city pays to The Villages. Even if they increase the fire assessment fee, they would still have the delta payment for one more year, because those are paid for in the rear.

Continuing, the Finance fund has no major changes. Customer Service has an increase due to personnel costs. Another big cost in the operating fee are the credit card fees and the city pays those. They see more and more customers paying with credit cards and that cost is about one hundred and sixty grand. **Mayor Burry** asked if the city charges a fee for the use of credit cards. **FD Williams** answered that they used to charge two dollars. **CM Minner** stated if that was something the commission wanted to look at they would go back and review that. Pretty much anywhere you go now, if you use a credit card it charges a fee. **Commissioner Reisman** asked if they could look at passing that fee on to the customer. **CM Minner** answered that would be done by resolution and they could get that to them. It will not be done in time for the next meeting. **Mayor Burry** wanted to confirm that they were all in agreement that it was a good idea before making a resolution. **Commissioner Pederson** said the delinquencies would go up. **FD Williams** mentioned the contract with the city would have to be redone. They need to look at that first. **CM Minner** stated they would do their homework and report back. The Procurement Division and Warehouse are under Finance and those departments pretty much stay flat.

CM Minner said with Human Resources there is nothing significant to report on.

Continuing, Information Technology remains consistently flat. The one hundred and fifty in the capital is for copiers, computers, and for equipment that is replaced every year. That is the going rate for replacing computers and different items. They can see the numbers are pretty consistent. They did program security improvements to City Hall, the MOC building, and the Resource Center. That is to the tune of one hundred and fifty grand. They will talk about that in capital projects on Tuesday. With Geographic Information Systems there was nothing significant to report.

CM Minner said the Police fund remains pretty consistent other than pay increases. Most everything in that department is personnel. Fines and forfeitures are rolling as they capture bad stuff that goes into the forfeiture fund. The police education fund operates the same way, there is nothing significant to report on. Police impact fees have one million dollars sitting and they should start seeing that number go up as The Villages come in, along with some of the new housing on South 27 and throughout Leesburg.

With Fire there was nothing major to report. Most of the increases are associated with personnel. The impact fees work pretty much the same as it does with police.

Public Works, **CM Minner** stated street maintenance remains about the same. With facilities, the only deviation there is for insurance and adding athletic field lights. The contract is about thirty thousand. Capital covers HVAC and the annual elevator repair. Grounds remain relatively the same.

Moving onto Community Development, which covers Planning and Zoning, **CM Minner** said there was a decrease there because they did not have to pay for the comp plan revision they are working on. That was paid out of last year's budget.

Housing pretty much remains the same.

Continuing, the Library has a big change for utility costs of $85,000. **Mayor Burry** wanted to confirm that the library has a utility change that big. **CM Minner** agreed.

CM Minner remarked that moving on to Recreation there was a change. That change is in operations, where they will see more maintenance money for the pool and marina. They are proposing a three percent increase on the slips at the marina to keep pace with everybody else. The marina project is still on board, along with the Susan Street project. That will most likely be back before them in the next forty-five to sixty days. They will have some concepts to beat up so they can get to construction.

Commissioner Pederson questioned on page 41, of the general fund. Is that a revenue number for the Venetian Center? The fees seem to bounce around and park facility fees are down. He thought $105,000 was proposed, but it was back up to $150,000. He wondered why it was down. Did we reduce the fees or anything? **CM Minner** said no. **Commissioner Pederson** wondered if they had reduced the fees, which he hoped they were not doing. **BM McDaniel** said when she looked at 2023 it was not trending to go much above that and she tends to go low. **Commissioner Pederson** said he did not recall cutting fees on it and he thought they were low now. **Commissioner Berry** inquired what the increase was at the library. Was it for a new system? **CM Minner** answered it was for utilities. **Commissioner Reisman** questioned on page 41 the marina operating lease. What is that for? **BM McDaniel** answered that it was for Holiday Marine. **Commissioner Pederson** commented that growth is good. It is amazing to see a twenty-four percent increase in taxable values; however, he sees expenses going up too. We always like to talk about growth and growth pays for itself. He just wanted to point out that everything they went through today was up on the expense side. **CM Minner** replied they will now talk about that a little bit. They have provided a very good budget and the change in taxing mechanisms is significant and it will benefit the city for years to come. It makes us extremely competitive and we are still providing quality general services to the community. Now they will talk about the tax rate, so they know how to address this come Monday. If they want to have more discussion on an extra one hundred grand they need to set the DR420 at 3.4752. At that rate, even with an increase in the fire assessment fee, the average resident would not see a significant increase in their taxes. Remember, it was based on a $175,000 house. **Mayor Burry** wanted to know where he got that number. Is it a Leesburg average or out of a magazine? **CM Minner** replied that is the Leesburg average. **Mayor Burry** wondered what percentage of residents are less than that, who will be impacted by the fire assessment. **CM Minner** responded that he did not know the answer to that. It is a minority, but he did not know how low below fifty percent. However, $175,000 is a pretty good number. **Commissioner Pederson** complimented the city manager and staff for a great budget. That is a big decrease in the millage rate and it does jump out, but that was where he was going with the lead on expenses. He would lean towards the rollback rate. He does not take that lightly, but that is a big decrease. The last thing he would want to do is take it up. **CM Minner** added that going with the roll back rate, that is a good policy for the trim notice. It also gives them eight weeks to kick it around. If that is the pleasure of the commission, we will modify the DR-420 to the rollback number 3.4752. **Mayor Burry** said with hopes they can make it even better. **Commissioner Pederson** commented that he supports the rollback rate, especially with the uneasiness about the future of electric utility transfers. The fact that we are going to be attacked every year and we will have to fight every year with the FMPA and other municipal electric companies. He worries about that and he does not want to get too aggressive because we could lose that money in a year and that would really hurt. We need to finish some of the projects we are doing while being very fair to the residents of Leesburg. **CM Minner** stated that completes the presentation of the general fund.

3. ADJOURN:

PERSONS WITH DISABILITIES NEEDING ASSISTANCE TO PARTICIPATE IN ANY OF THESE PROCEEDINGS SHOULD CONTACT THE HUMAN RESOURCES DEPARTMENT, ADA COORDINATOR, AT 728-9740, 48 HOURS IN ADVANCE OF THE MEETING.

F.S.S. 286.0105 "If a person decides to appeal any decision made by the Commission with respect to any matter considered at this meeting, they will need a record of the proceedings, and that for such purpose they may need to ensure that a verbatim record of the proceedings is made, which record includes the testimony and evidence upon which the

appeal is to be based." The City of Leesburg does not provide this verbatim record.

Commissioner Reismand made a motion to adjourn and Commissioner Connell seconded the motion. The meeting adjourned at 6:32 p.m.