AGENDA MINUTES
CITY COMMISSION MEETING
CITY HALL, 501 W MEADOW STREET
TUESDAY, JULY 2, 2024 5:30 PM

1. CALL TO ORDER

The City of Leesburg Commission held a budget workshop meeting on Tuesday, July 2, 2024, at Leesburg City Hall. Mayor Burry called the meeting to order at 5:30 p.m. with the following members present:

Commissioner Allyson Berry (5:35 p.m.)
Commissioner Jay Connell
Commissioner Mike Pederson
Commissioner Alan Reisman
Mayor Jimmy Burry

Also present, were City Manager (CM) Al Minner, Deputy City Manager (DCM) Hicks, Budget Director (BD) Brandy McDaniel, Finance Director (FD) Jim Williams, City Clerk (CC) J. Andi Purvis, the news media, and others.

INVOCATION

Mayor Burry gave the invocation followed by the pledge of allegiance.

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

2. FY 2024-25 Budget Workshop Schedule

A. General Fund:

City Commission
Public Outreach/Lakefront TV
City Manager
City Clerk
City Attorney
Miscellaneous
Finance
Human Resources
Information Technology
Geographic Information Systems
Police

Police Forfeiture Fund
Police Education Receipts
Police Impact Fees
Fire
Public Works
Community Development (Planning & Zoning)
Housing
Library
Recreation
Recreation Impact Fees

PROPOSED FISCAL YEAR 2024-25 BUDGET:

Kicking off the budget workshops for FY 2024-25, **CM Minner** stated the budget process was pretty much the same as it has been the last several years. There are a few deviations from how they developed the draft budget. Tonight, they will talk about the general fund. The general fund covers the city commission, public outreach, administration, police and fire, who are the lion's share of the general fund. They will review public works and recreation. On Tuesday, next week, they will look at capital improvements and different things that make a significant annual impact on the community and on Thursday they will hit up the other enterprise funds.

This year, the biggest difference is the commissioner's goals. When they put the budget together, he added the recommendations from last year. There were some similarities, but he tried to associate the goals with their respective funds. For example, Commissioner Connell requested some advertising for South Leesburg, and he wanted the millage rate lowered. Those are general fund issues. Commissioner Reisman asked for beautification, additional code enforcement, and Wi-Fi. He would like to brand and promote Downtown Leesburg with marketing, adding lights and funding for the FSL programs. Most of those goals are in the general fund. When looking at the downtown marketing and lights, he put some of that in the general fund, along with CRA funds, and special revenues. Remember the general fund includes general revenues, the CRA fund has incremental revenues, and the special revenues are for purposes of capital projects and DST revenues. There are some other impact fee stuff that they will talk about. There are different areas where we could potentially fund some things. Mayor Burry would like to look at infrastructure management, which is pretty broad, but that will be enterprise funds, which are water, sewer, electric, and gas. He would also like to look at recreational improvements to Susan Street, Sleepy Hollow, and the marina. Those projects are already on the agenda, and they are funded by grants. We will get into more detail when that discussion comes up. Commissioner Pederson asked them to enhance public safety and to refocus on the downtown. He would like to get back to parking projects. The Market Street projects and implementation of the Tropic purchase are in their respect funds. Commissioner Berry introduced the concept of a wall. The wall would be an addition to the Susan Street project. It would essentially run the trail that is an extension of Red Raider Road. She would like to see the city hall security finished. She would like to enhance police protection and see the continuation of the home grant program. She also included the John L. Johnson Park restrooms and some summer tutoring programs. That is a broad overview of the commission responses provided over the last ninety days and some of the items the city is already doing. For example, with Wi-Fi, we try to increase the coverage a little bit each year. It is done incrementally. Some of the recommended goals may not be tackled and those will be discussed Tuesday night, when we break into the CIPs. They will see some competing demands. They will need to collectively come up with some concepts for how to shift some blocks, make cuts, and/or reshuffle the deck. Even the downtown market lights, Market Street, parking, the implementation of Tropic and Susan Street have some conflicts. We will need to shuffle the deck on how we move forward with some of these things. They will need to rank them more on Tuesday.

Referring to another slide, he said moving into the FY 25 budget, this was the first year they started seeing significant input from The Villages in terms of growth and new revenue. He hoped to split it by increasing public safety, adding some to the general fund and then capital improvements because they need to lower electric transfers. He would talk more about electric transfers when they get into that fund. From the commissioners' goals, the number one resounding issue was the enhancement of public safety. That speaks to crime throughout the community. It speaks to the inability to tackle homelessness, coupled with the new law that the state legislature passed. That is a significant issue, especially in the police department. We have been at a disadvantage when it comes to staffing levels. For years, the city has not funded the police department at levels we see other communities have. We have a catch-up game with regard to that and will dig into the numbers.

This year's biggest revenue growth was The Villages. Over the year we talked a lot about it because we saw a million different PUDs. There are about 40,000 lots planned and of that, The Villages has the biggest chunk of 14,185. That leaves a remainder of about thirty thousand lots that are not The Villages related. Looking at the taxable growth, the first initial estimate received on June 1st said 38.18%. Leesburg is one of the biggest growers in the county and as of July 1st, that number went up a little bit more. Our taxable value last year was 2.5 billion, and it went to 3.4 in June and now for July it is about 3.5. That is a gross of almost one billion dollars in a single year. When they dug into that number, it was pretty much all The Villages growth. Referring to a chart, he showed the percent of taxable values and of the 965 million dollars, pretty much all that is The Villages related. Of the 39% of growth, 30% is The Villages. There is an inverse because 70% of that number is The Villages. The Villages have an input of 750 million dollars. That is three quarters of a million dollars of taxable growth attributable to The Villages. A side note, of the 32,504 lots that were proposed for The Villages of West Lake, about 22,742 of the lots are accounted for in this budget. They are looking at about five hundred more lots for next year. Core Leesburg is at 5% and, for all practical purposes, this does not compare to what we see in terms of PUD approval rates. We see PUDs come in all the time, but for practical purposes, not every PUD will grow. That does not mean the PUDs will not happen. It just means they are not as accelerated as we thought because the big numbers relate back to The Villages. When The Villages number starts turning around, and the Core Leesburg lots that were approved stay in the 5% range, we will see that number trail off, and we will look more like the rest of the county. It will look more like a Mount Dora growth number or a Clermont growth number. It will probably drop back to the 7.5% or 10% rate. Right now, with The Villages, that number is doubled. Remember these lump sum numbers include the CRA, and we have to pull that CRA growth out because it is shuffled over to the CRA funds. So, about 4% of the 39% is CRA growth. The general fund will see about 35% of the 39% growth and the CRA funds will see about 4%. Now, transferring that to revenue. Remember the revenue formula is our assessed value. We count on receiving 95% of the assessed value, which is state statutory. So, 95% of the taxable value is divided by one thousand. We then multiply that by the millage rate and that translates into dollars. Based on the current millage rate of 3.4752, The Villages brings in about 2.5 million dollars. By the way, that is what we thought when this first started. When this is all said and done, there will be about three million. That exceeds the portfolio, because The Villages' revenue will break down into two other big sources. The first being ad valorem and the second will be utility and franchise fees. As the state catches up with population growth, we will see more in state shared revenues and local option gas tax. That will compete with some other formulas, so really the utility franchise and property taxes are where we will see the lion’s share. There may be a bit more discretionary sales tax and other state shared revenues, but The Villages is the lions' share of where we see growth. Core Leesburg's new growth is about 410,000 and the CRA's growth is about 360,000. That all gets shuffled off into the CRAs. All in all, at the current millage rate, we are looking at about 2.9 million dollars of new ad valorem growth.

Now, to muddy the waters. If they keep the current millage rate of 3.4, ad valorem taxes will be up 2.9

million, utility taxes will be up $545,000, the franchise fees, which are primarily Duke and The Villages, will be $560,000 and fire assessment fees will be $332,560. Right now, there is a bit of an argument between the City and Duke because Duke has not kept up with counting new growth. They are having weekly arguments with Duke because they need to get up to speed on their count. They are also in the middle of an internal audit, and they are about six months behind. There is no excuse for that because in the 2018 to 2019 time frame when we entered into the territorial agreement where we took some Sumter County property that was under Duke, and we gave them the North 470 property. That was all done because the concept of The Villages was that they wanted the whole village's area to be serviced by the same utility supplier. All that means is that Duke knew we flip-flopped these properties years ago. This even went before the Public Service Commission and Duke did not count the new meters that had been spinning. Remember by the assessed value numbers as of December 31, 2023, there were 2,752 houses on the tax rolls. If the houses were on the tax rolls, that meant there was a base bill and a meter spinning. **Commissioner Berry** asked how they added that in. **CM Minner** responded they came up with the number based on franchise growth. The average bill is 1,000 kilowatts and the average Duke bill is 165 kilowatts. So, the average Duke bill is $165 a month based on 1000 kw. It would be $165 times 6%, times twelve months, times 2,700 and that equals half a million dollars. That was an estimate, but we still need to get that money and if we do not get that, we will need to be litigious. **Mayor Burry** jestered why pay today when you can put it off until tomorrow? **CM Miner** cautioned the commission about where IOU's hit because municipal corporations will get the black eye by them saying it was not their fee, that it was a city tax. When the villagers come in to complain to Duke about why they are being back-charged for franchise fees, Duke will blame it on the City of Leesburg. The truth of the matter is, Duke is behind and every municipal corporation in the state has a franchise fee on electric. Another big revenue growth is the fire assessment fee. They saw a growth of $332,500. Now, remember the major growth in the fire assessment fee relates back to The Villages. With all the major growth, at the current millage rate, we are looking at about 4.3 million dollars of new revenue. Referring to a chart, he said they compared the 3.4 and the 3.2 millage rate. At the 3.2 rolled back millage rate, we would collect 2.1 in ad valorem and if we went with the 3.4 millage rate, we would collect 2.9 million in ad valorem. The total estimate if we went with the rolled back millage rate of 3.2 would be 3.5 and if we went with the 3.4 millage rate it would be 4.3. The delta is that we would leave about $810,000 on the table, which is almost one million dollars.

Referring to a slide, he continued to say with <u>major expense highlights</u>, they broke that down into four categories. They tried to break it down easily, but the numbers unfolded a lot of different ways. If they were to ask a specific question, he would have to think about it. The purpose for breaking down the numbers was to boil down and figure out where the new money was going. Adding all four categories together, it equals about 4.3 million dollars of new revenue. Everything was based on making a significant increase in the general services for the City of Leesburg.

They want to increase <u>police services</u>. The police department budget increased by 1.5 million dollars, and the lions' share of that goes to personnel at about 1.2 million. Looking at the personnel detail lines, they will see an increase in retirement and other benefits. When they roll it all together and include the cars and everything else, it adds up to 1.5. The increase includes 12 new officers. It would increase from 72 sworn officers to 84. The police department said if they were going to increase police officers, they needed to grow in incremental blocks to cover shifts and administrative officers. They would have to work in the increases based on hierarchy and scheduling. They wanted to handle this in increments. They would start off the budget by adding six brand-new officers. When reviewing the associated promotions, the bottom line was we could not afford them. They wanted 12 new officers effective October 1st, but there were problems, and we could not afford to bring them all in come October 1st. So, we knew they were not going to get 12 new officers due to budgeting. We were over budgeting in expenses versus revenues. Now, how do we make this affordable? We came up with a step-by-step plan. Come October 1st, they will hire three new officers and promote someone to lieutenant. By June 1st of next year, we will have 12 new officers and one new lieutenant and sergeant, which would most likely be an internal officer being promoted to a higher rank. Essentially, the plan would be three new officers and one lieutenant effective October 1st. On April 1st, halfway through the fiscal year, one more lieutenant and sergeant will prepare for supervisory roles and by June 1st, we will bring in the last of the new officers. The good thing is that it is within our parameters. The bad thing is, half of the expense to grow the department by 12 costs about 1.2 million dollars. That is the police department ostensibly.

The next big increase is <u>fire services</u>. It is probably arguable whether adding six new firefighters increases fire services. It is arguable, but no, we are not increasing services. The biggest complaint they have heard over the last three years from the IAFF (International Association of Firefighters) and the Leesburg Fire Department, especially the Griffin and Canal Street stations, because they are the busiest stations by far throughout Lake County and statistics support that and our service force has a tremendous amount of workload, which does not allow them to take their scheduled and earned PTO off. The biggest thing they hear is how burned out and over worked they are. They need more rest versus the high-risk performance stuff that they do. The response back to the fire department in this budget is that we are going to change this. We need to decrease the hours of work and, using round numbers, they currently work about 2,900 hours a year and the proposal back to them will give them the break. They asked for fewer hours worked and an increase to their pay. The increase in pay will be a net neutral of 4%. It will be a 4% increase with less work. So, instead of working 2,900 hours, they will work about 2,400 hours. This will be done in increments. We have A, B, and C shifts just like the police department. We need to build it in increments for us to be able to cover lowering the work hours without seeing overtime go crazy and people need to start taking some time off. The chief and mayor believe they need six additional firefighters to cover the lower working requirement for the fire department and the increase for that is about one million dollars.

The next one is to <u>reduce electric transfer</u>. There are two major reasons why he continues to come back to the city commission on a yearly basis to encourage them to reduce the transfers. It is two-fold, but there has been pressure from the state legislature from the last two sessions that said electric cities need to look more like normal municipal corporations. There are roughly 600 electric corporations in the State of Florida and 48 of them are municipal electric utilities, so we are a special breed. Some are pretty significant municipal electric utilities, like KUA, JEA, OUC, and Lakeland Electric, and some of us are smaller, like Fort Meade and Leesburg, which are probably in the middle ground as far as customer load and money spent. He believes that fight will continue in the state legislature and that fight is demanding that electric cities look more like non-municipal corporations. We have had a humongous ally in the state senate, Senator Baxley; however, Senator Baxley has now termed out, so we will have a new senator. He was not providing a representation for the new senator that will be representing our area, but this is the representation of the majority. Next year we will not have Senator Baxley representing us. He was a highly regarded state legislator. He served as long as he could. He was from Ocala, and he was a friend of the municipal electric. This last session he kept the legislation off the floor that was in the house. There is a question and concern about what the new legislation will look like. With the concern continuing to grow, we need to continue being one of the most proactive municipal electric utilities in the state, as far as reducing electric transfers. We have to continue getting the electric fund influence out of the general fund. It will be a critical element for the city moving forward before it is forced upon us. When looking at the legislation that has passed over the last couple of years, it is forcing the changes that he was recommending and that is the 6% cap, having authority, and representation for the electric customers that are not corporate residents. The electric fund, unfortunately, cannot afford a significant transfer for a number of reasons including extensive inflation, personnel cost increases that are forced by the market, and some investments where growth has not spun meters yet. That time frame will eventually end when the Leesburg electric service box fills up to where some of the pressures on growth will not be as great as they have been over the past few years. When the box has been filled, we will not see neighboring territories like Duke or SECO make any trading territory agreements with us, unless it was to their advantage or if it was customer for customer. The market has affected the electric fund, state legislative priorities have affected the electric fund, which means we need to continue reducing our transfers of 1.5 million. Now, what does the 1.5 million reduction in the transfer mean? The general fund will receive about 1.6 million from the electric fund and that 1.6 million represents a 6% franchise fee. In other words, if we did not have our own municipal electric utility system, we would not be having the Duke argument. We would have a 6% franchise fee on incorporated and unincorporated sales. The inverse of our utility is that 60% of our 27,000 customers are outside the corporate limits, and 60% of our sales are inside the corporate limits. That means if we did not have the utility, we would get 6% of electric sales on the sales in our corporate limits. If this came down, we could only transfer 6% based on where our corporate limits were. The transfer of 1.6 million equals that demand. That is a reduction of 1.5 and everything that is presented in the general fund. The worse case scenario is we can only take 6%, which represents our customer base inside corporate limits. If we accomplish that, that is significant.

So, after the police and fire increase, and reduction in the electric transfer, we are left with about 1.47 million dollars. He proposed $550,000 for the 4% pay increase. $412,000 is The Village's fire assessment fee and most of that fire assessment fee goes back to The Villages. $175,000 to increase fleet leases. Fleet leases are where we take a vehicle, and we depreciate it over the value of five years. Then, whatever department that vehicle belongs to will pay the value of that five-year depreciation. The depreciation will change based on the type of equipment, but for simple math, a car is five years, so if it is a $50,000 car, the lease payment will be $10,000 per year. That lease payment goes into the fleet fund, which builds the cash to buy replacement vehicles. We take that number for every vehicle's depreciated value, we add it up, and divide that among all departments. We were at 50%, then we moved to 75% a couple of years ago. Now, we want to get to the point where the fleet fund cash is decreasing to where we need to bump that up so we can get to 100%. The full depreciated value over the years, plus the car, is how we get to that number. To increase it from 75% to 100%, it will hit the general fund in the amount of $175,000. The general liability insurance also went up. We impose that on ourselves, but it matches with how we do it and that is about $97,000. There are miscellaneous operating expenses that include chemicals for the pool, paper, etc. The purpose of the slide was to show the major expense blocks and where we are trying to significantly change the service level. If they add it all up, they are back to where we are with revenues of about 4.3 million in new revenues; police expansion, fire expansion, reduction in electric transfer and other miscellaneous items. That totals about 5.6 million dollars on the wish list for a deficit of about 1.3 million dollars.

Moving on to another slide, he said, we have significant programming increases and we have significant new revenue. When they put it all together, the budget is a deficit of $250,000. It is not a crazy number, but he wanted to present it that way to show where the city is. If they feel the programs are where we need to go, that is where they are. Remember, that number will change on the first of each month, so July 1st, August 1st, and September 1st, and there will be a final update on October 1st. So, that $250,000 number has already changed, and he alluded to that a little bit because the assessed value has gone up a couple of hundred million bucks. That $250,000 has already been reduced to $142,000. However, he wanted to show that we had a deficit. He also wanted to show that the deficit was not crazy, and he would not make any rash decisions about how to manipulate getting that $250,000, because by the time we hit September, that number will probably catch up with the assessor's office after they ratchet up the numbers. **Commissioner Berry** asked him to go back to the breakout of the four major expenses. She wanted him to provide clarification about the increase in fire services as of October 1st. How many firefighters will there be and the same for the police department? **CM Minner** said he wanted to digress on this topic because her question jogged his memory. At the last commission meeting, they approved the PBA contract. The PBA contract called for a 4% wage increase, but it did not call for increasing officers. Having said that, they negotiated in good faith to bring in more officers. He thought that went a long way to having the police department capitulate to the 4% increase, which they thought was reasonable. The other side of the table said yes, and the city would finally get more officers. That is a better way to address some of the issues, and they will not be as stressed on the police side. The fire department side is similar, but they are asking for an 18% increase. They are going back to the table to tell them no because that is an unreasonable request. They believe the pay is reasonable, and the factual definition is 97% of the market average. The market average is for the other departments in our region. It covers most cities in Lake County and a couple in Sumter and The Villages. It does not include cities like Tampa or South Florida where the cost of living is higher. It does not include cities where the city transports. There is a bifurcation in fire services for transporting patients to the hospital versus treating them at the site. When they get into the transport business like Lake County does, they handle the transport for us, and we pay a millage rate for that. There is a significant change in expectations from a paramedic only or a paramedic firefighter who handles transportation and those are not comparable numbers. Typically, the department that handles transportation has slightly higher wages. Typically, those departments are more urban, although everybody would probably argue that we are becoming urban. However, urban areas are South Florida and Tampa. What that leaves is that tomorrow they will meet with the union and the presentation to them will be for a reduction in workforce, and if they approve that, they will come back to the commission. If they can come to an agreement tomorrow on a 4% increase and reduced work hours, they will go to the ratification vote. Both the union and the commission will ratify it. At the time of the ratification vote, they will do two things. They will say they want to ratify the agreement to increase the number of firefighters to reduce the work load and increase the pay by 4%. However, before they can switch to the 2,400 work hours, we need six new people trained and on staff. Again, the proposal to the fire department will be a 4% increase, and work hours will go down. We will try to get three new firefighters on by the end of this fiscal year since we have the money. **Commissioner Berry** asked about the police department. How many new officers will they add as of October 1st? **CM Minner** replied that the police department will not be tackled until next year. Continuing, he said they would put the expenses in the hopper and compare the deficit of $250,000. The deficit shown was done at the current millage rate and these are really aggressive changes. Now, if we stay at the current millage rate, which is a 7.5% tax increase, they could accomplish those four major things.

He showed a chart that covered an eleven-year synopsis of what we have done as far as millage rates. It shows it going up and coming down, but how does it affect taxes? Was it a tax increase or was it not a tax increase? He did not want to go through each year, but he reminded them of some crazy times. Back in 2014 and 2015, we rolled forward and everybody was like, what the heck is a roll forward? He had to rack his brain because in 2014 and 2015 we still had decreasing assessed values from when the world crashed back in 2010. They still had decreasing assessed values and the same tax revenue, but they had to increase the millage rate. We all forgot about that because if they saw Carey Baker's presentation at the Lake Regional League of Cities he had that number in it because he did not forget. It was a pretty good presentation. We have seen so much growth and not only have we caught up with the decrease, we have surpassed it. There was actually a roll forward in 2014 and 2015 that we did not take. We kept the millage rate the same, which was actually a tax deduction. Then we did some rollbacks, and then we kept it the same. Eventually, we made some increases. Overall, we have been very frugal with taxes. In 2024, we did not increase taxes, but we increased the fire assessment fee in 2023. We had a modest increase and the bottom line is, over the past eleven years, the millage rate has decreased 8.16% every year on average. That is misleading because that is the millage rate and the millage rate does not tell the whole story, but it does tell some of the story and that is something for Leesburg to brag about. The millage rate has gone down 8% every year for the past eleven years. Taxes have increased on average by 1.89%, which includes the proposed 7.5% increase this year. Even though 7.5% sounds like a crazy number, it is still modest, and it still has an overall tax increase for the residents of less than 2%. Now, what do the percentages mean in terms of dollars? It was hard to tell, so he did a sliding graph for the city only. For a homesteaded house of $250,000 at the current millage rate, the current city tax bill is $868.00. If they keep the same millage rate, it will go up 3%, so the new value will be $257,500, so instead of an $868 tax bill, they will have an $894 tax bill from the city. That is an increase of $26.00. The 7.5% is an average somewhere around $25 to $30 for the average resident. Referring to a chart, he said, the number spans from $10 to $57 depending on the value of the home. Remember there are a bunch of taxing districts on the tax bill. We have the county, school board, hospital districts, mosquito district, and MSTU. There are six plus different taxing jurisdictions on a tax bill, and if everybody stays the same, the millage rate will be 15.8956 mills. They have to break that down into two parts. The school board has a $25,000 exemption and all the other taxing districts have a $50,000 exemption. If your house is worth $100,000, you actually pay $100,000 in taxable value in all the non-school district taxing jurisdictions and $125,000 for the school board taxes. If they throw out the comparison of the assumptions, it will give a rudimentary feel of what our change would be. The range then goes from about $47 to $262 on a tax bill. If they go look at about three and a half mills and divide it into sixteen mills, that is not quite 25% of the total tax bill. The school board threw it off because they have a $25,000 exemption. Even if every taxing jurisdiction goes up, he would not judge whether the commission thinks that is an unreasonable number. From the conversations he has had, he knows they are all struggling with the same inflationary numbers. We are all struggling with the same issues. The electric is high, insurance is high and the cost of employment is going up for everybody, so it is a pretty safe assumption that they will not see too many taxing jurisdictions go back to the rollback rate this year. Leesburg is one of the very few who have been frugal about adjusting the millage rate. Referring to a chart, he showed how we are making significant steps to change the service delivery in the budget. They are going to where most other jurisdictions go, which is the ad valorem rate. We should not be milking the utility funds and falsely increasing those to run the general fund. We need to develop a way out of that system and this budget almost gets us there. We have the third-lowest millage rate of all municipal corporations in Lake County. Fruitland Park, Leesburg, and Lady Lake are important ones to look at, because in Lake County, Fruitland Park, Leesburg, and Lady Lake include The Villages. They can count on villagers comparing tax bills and our tax rates are less than Fruitland Park, but we are higher than Lady Lake. Lastly, he wanted to point out that the only other municipal electric utility in our region is Mount Dora. He did not know what Mount Dora's transfer levels were, but he knew ours. Next year, if they adopt the proposed budget, we will look like every other city in Lake County with a 6% franchise fee. Everybody says Leesburg gets to do anything they want because of the electric system, so, if they approve this budget, that statement will be wrong. We would be running our municipal services without any significant electric transfers. They will do it with a franchise fee and the millage rate, which is still one of the lowest in the county. That is significant, and he did not want to belittle that chart, but it shows where we have been since 2013 in terms of electric transfer.

<u>GENERAL FUND REVENUES</u>:

CM Minner wanted to explain the terms of the overall revenue. We will go from 33.4 to 37.5 million dollars with the areas of significant increase having already been covered. To sum up, he did a strength and weaknesses analysis (SWAT) of the proposal. First, with strengths, we will increase public safety, which is significant because we have room for improvement and this budget will tackle that. We continue to boast a low millage rate, and we are very frugal with the tax dollars that we spend and collect. This budget moves us closer to looking like a non-electric municipal corporation, which the state continues to push for. With that being said, we still have reasonable reserve levels. The biggest thing with the reserve levels is that vacancies have created that cash for us. We have been slow to spend it, and that is a good thing.

With weaknesses, because of the way we framed the growth in the police department, we are still counting on about $600,000 of new growth to come in for FY 26. He believes we will get there, and it is a reasonable gamble. The main reason for that gamble is, if we say okay we do not want to take that step, the chief will say we need to reschedule, and we will kick the can down the road on the growth of the police department. He believes we need to take that gamble. We can take that gamble because we have reserve levels to potentially cover it. However, it will hurt us with capital improvements. Even though we will have fewer electric fund transfers, that means there will be higher taxes. It accomplishes getting the electric fund down, but it equates to higher taxes. Even doing that, we will still have the third-lowest millage rate in the county. Another weakness is not using general revenues for capital improvement projects. Over the last couple of years, we have leaned on the American Recovery Act money, CRA money, and the discretionary sales tax fund to fund capital improvement projects. Potentially, there may be a need to use general fund reserves for future CIPs; namely, the downtown parking, Market Street, Susan Street and any other stuff we do downtown. They may need to grab some reserve money if they gamble on the police department. We may need to use some reserve money to cover the gap for FY 26. If we do that, the first priority will be to cover that gap before anything else. The last one is with health insurance, and they will look at that on Thursday. That has been doing pretty good, but it has gone up over the last two months. The average payment for all claims needs to hang around half a million dollars a month, and over the last two to three months we have been hitting $750,000 to $850,000. That will put us about one million dollars out of whack depending on where the trend goes. He wanted to throw that out because if that trend continues in the last quarter, we will need to find some additional money. We have propped up the health insurance fund and the balance should stay around two million dollars. They need to subsidize the health insurance fund and there are two ways to do it. They need to either increase the employee contribution or go find cash. He recommended not going back to the employees because health insurance coverage is one of the biggest unforeseen benefits that employees get. He would gamble that when they do the employee survey there will be very few employees thanking the city for the health insurance coverage. He would not recommend kicking that can down the road. He would say they need to grab some cash from the general fund to keep rates on health insurance down. That was the strength and weaknesses of the analysis of the proposal.

Referring to the general fund cash reserves slide, he explained that since they are always conservative, he estimated it to be somewhere around 15 million. That will give some room to do some things that we talked about. We can bring on some firefighters early. We do have some cash if they want to peel it off a little bit. However, he guessed they would want to be conservative, but there may be about 5 million to bleed off and that would put them around 10 million, which is still above the reserve requirement of about seven and a half, so at 10 million we will still have a good reserve. We have squirreled away this money over the last several years. We are now seeing cash levels available to do capital improvement projects. He hoped it would be used for capital improvement rather than personnel, because capital improvement projects fill in the trough. If they start under budgeting and use reserve money to pay off budgeting, that is where we will get into the hole. We need to avoid that, and it does need to be talked about. **Mayor Burry** asked when talking about core Leesburg, does that include all the new development south of US 27 and on CR 44 or is it just old Leesburg? **CM Minner** replied $410,000 is Core Leesburg and $2,500,000 is The Villages. The Villages are everything north and south of CR 470 and everything else is Core Leesburg, which includes Hodges, Anthony, BarKey, Silver Point Springs, Battaglia, Orange Bend, and Liberty Preserves. **Mayor Burry** said right now we are sitting at a 4-5% increase. **CM Minner** agreed. **Mayor Burry** wanted to know for us to come to this what does it have to be? **CM Minner** responded it does not have to be anything. **Mayor Burry** asked what would happen if it stayed the same. **CM Minner** said if it stayed the same, we would have the same Core Leesburg. If we had zero growth and no developments came in, which is very unlikely, or if all the developments came in at once or about equally, that is also unlikely. Remember when the planning and zoning director made his presentation a few meetings ago on the comprehensive plan growth, we are seeing a sustained 4% growth, and he believed that number would continue. There is obviously a cloud of Orlando megalopolis growth that is coming into Lake County. We see it happening in Mount Dora and Sorrento along the CR 46 corridor. We see it in Clermont, Groveland, Mascotte, and Minneola, so, obviously, growth is coming this way. There are a significant number of lots, but he did not have that information with him. We see it in the assessed value chart that the property appraisers office sends out to the cities. We are seeing a bit of a slowdown in Clermont, but we are seeing double-digit growth in Minneola and Groveland. Those subdivisions are growing, so that is an indication that the growth cloud is coming. It is not quite to Leesburg, but it is coming our way. However, he does not believe every one of the approved subdivisions will grow, and we will not see 38% next year. Then the question is, whether we want zero growth and if that is good? That is an elected official decision, not a city manager decision. He was there to help them manage it. **Commissioner Berry** asked how he broke out the CRA growth of 4%. **CM Minner** answered the CRA's are rooted in the 1 billion dollars of new growth. New growth is an increment, so the growth of $360,000 is the estimated portion of growth that is coupled with the county's contributions, which doubles it. It is then divided into three at varying levels and the number one grower of the CRA's is Highway 441/27, the next grower is Carver Heights CRA, and the slow grower is the Downtown CRA. That is the overview of the budget. The next portion of the presentation will give the microscopes and details of every department. He asked if there were any questions about the overview. There were none.

GENERAL FUND EXPENSES

Continuing, he said this is where he becomes redundant, because there is not a lot of change because he had already told them about all the big stuff. Referring to the general fund slide, it says a million words because they really see where the growth is. It is police, fire, and recreation. The other big one is the executive and the reason for that is The Village's payment of the fire assessment fee. That is where we buried it.

The city commission budget increased by $566. **Commissioner Connell** asked about promotional services. **CM Minner** replied that promotional activities are under operating expenses. It covers Christmas gift cards for employees. Each employee receives a gift card of $100.00. It also covers the MLK sponsorship and the Chamber Gala of $1,500. However, they may want to take that out. It also includes the Chamber's breakfast of $500. **Commissioner Connell** wanted to know if the employees like getting the $100 Christmas gift card better than the Christmas party. **CM Minner** responded that was the feedback he received. They like getting the money more than having a party. The Christmas party is a lot more expensive too. **Commissioner Pederson** asked about them getting a 5% bump, when the total budget only went up 1%. **Budget Director (BD) McDaniel** explained that some benefits went down. Someone may have done the fitness program, and opted out of it. It went down about $80 and insurance went down a little bit too. It couples all that together. There is a 4% increase there, but other line items have gone down.

Moving on, **CM Minner** said the executive division covers a couple of different branches. First is public outreach, which is the payment to Lakefront TV. **Commissioner Berry** asked for a breakout of the communication expenses since that increased. **BD McDaniel** answered that it covers the telephone bill of $324, the Verizon bill of $481 because they have a public outreach data plan and the Comcast bill of $2,640 for internet and cable at the Lakefront TV studio. **CM Minner** stated administration covers the city manager's office, which is extensively about the same. **Commissioner Berry** inquired about the number of employees in this department. **BD McDaniel** replied 2.70 because the executive office manager position is also split between Public Outreach and the Airport. However, there are three employees in that department.

CM Minner mentioned that the city clerk's budget went down a tick. He asked if there were any questions. There were none. Continuing, the city attorney's budget is pretty much contractual based on estimates by Stone and Gerken. Under miscellaneous, **BD McDaniel** stated they put employee vacation buybacks in this budget. It includes the payment to The Villages and the debt service transfer for debt service. **CM Minner** added that the debt service is what we cannot use DST money on. **BD McDaniel**

agreed.

CM Minner said finance has a couple of divisions. It includes accounting, which has not changed much. Customer service is down due to credit card fees. **Mayor Burry** wanted to verify that it was $400. **BD McDaniel** agreed. **CM Minner** continued to say procurement was down, and the warehouse budget went down just a tick. Moving on to human resources, **CM Minner** stated the budget has gone up a little bit, but it looks pretty much the same. The information technology and geographic information systems are both pretty much the same.

The Police Department budget consists of the police forfeiture fund, police education, and police impact fees. There have been discussions about this funding for police. The increase there covers police services from 12.6 to 14.18 million. The lion's share of the 1.5 million increase is all personnel. **Commissioner Connell** inquired if The Villages paid police impact fees. **CM Minner** responded yes. **Commissioner Connell** pointed out it should have gone up significantly. **CM Minner** said the police impact fee is at 1.358 million. The police impact fees will go to the expansion of the force because it is associated with adding twelve new officers, radios, light bars, gear and cameras. **Commissioner Connell** asked if he knew what we charged for police impact fees on a single family? **CM Minner** replied about $200. **Finance Director (FD) Williams** said it was under $200. **CM Minner** pointed out that the fire impact fee is about $250. **Commissioner Connell** wanted to know if we collected fire impact fees from The Villages and if we remitted that back to them since they run their own fire services. **CM Minner** said he did not think we charged them fire impact fees that were covered in the 163 agreements.

The fire department looks similar to the police. One of the big numbers is the pension fund. Looking at the individual growth lines, it continues to grow. He believes fire is hanging around 29% of salaries and police is around 15%. The actuary reports show 14.26% on police, so the city kicks in 14.26% in payroll to cover our required share of the pension fund and 42% is fire. Fire is the big one, but it is not uncommon in other cities. 15% for police is a little low. He guessed they would see about 35% for fire and close to 20% for police. With both police and fire, that is about 60% of the budget.

Moving on to the public works budget, it has a bunch of different stuff and street maintenance remains about the same, with a subtle increase. Facilities maintenance takes care of all the facilities and most of that is insurance due to new buildings. The grounds and administration budgets are roughly the same. **Mayor Burry** said at one point we could not hire enough people, so we entered into an agreement with Brightview for mowing grass and things like that. **CM Minner** remarked that we still use Brightview because they cover the rights of way issues. Dixie and the 441/27 corridor is Brightview. The Venetian Gardens and around City Hall are handled internally. **PWD Kelsey** pointed out that some vacancies were filled with summer contractural employees from Brightview. **Mayor Burry** wanted to know if they were moving or migrating to the city. **PWD Kelsey** said yes. They are filling vacancies because they have a 50% vacancy rate in the grounds department. They are supplementing the vacancies with contracted employees from Brightview. That is all part of the contract until we can fill the vacancies.

CM Minner said moving on to community development (planning and zoning) are there any questions there? There were none. He said they pay about the same to process all the PUDs.

With housing, the big change there in FY 24-25 is $33,800, and that is for additional demolition money.

Going to the library budget, he asked if there were any questions. There were none.

Under recreation, the recreation impact fees are up about $30,000. It will go down a bit because they are taking $23,341 out, so that will leave about $7,000 in the positive. **Commissioner Reisman** asked if they looked at paying the director anything additional due to the added workload. **CM Minner** said that would be at the commission's discretion. It would be tough because the recreation director received an increase last year when they reviewed department heads. As a result of Bikefest, he gave the recreation director and the special events division additional comp time because of the additional workload. If they want to revisit that, they need to let him know. It would be difficult due to how they adjusted every department heads' pay last year. It would bump him above everyone else. **Commissioner Pederson** said he did not hear the question. **Commissioner Reisman** stated that with the recreation director's workload increasing, he wanted to consider an increase in pay. **CM Minner** said he does a great job and the workload did increase, but he got an additional assistant that we paid $80,000 along with an extra week of vacation.

Commissioner Berry asked him to go back to housing. Under contract services, she wanted a breakdown for that? **Mayor Burry** wanted to know which page she was on. **Commissioner Berry** indicated page 146. **BD McDaniel** said that it was for demolition that was covered in that line. **Commissioner Berry** wanted to confirm it was part of the 25. **BD McDaniel** agreed.

CM Minner continued to say next, under recreation is <u>aquatics</u> and there was a bit of an increase there due to chemicals. **BD McDaniel** said it relates to keeping the pool open longer. It also affected temporary labor and utilities. All expenses went up because the aquatic center stays open longer. **Commissioner Pederson** noted that was a good thing. **CM Minner** wanted to move onto the <u>marina</u> and that budget was about the same. The biggest change in the budget was adding <u>Bikefest</u>. They have Bikefest balanced, so they will spend about $468,000. We will be around $468,000 based on this past year. If there are any overages, they will go back to the reserves. Remember we had $250,000 from The Partnership. It is probably $250,000 minus $50,000, so whenever we go over or under we will nip and tuck away at that reserve fund. We will not spend any of the cash we received from The Partnership except for Bikefest or unless the commission directs otherwise. **Commissioner Connell** questioned how much money the city would be out if Bikefest was a total wash out? **CM Minner** said he did not know the answer to that question. **Commissioner Connell** wanted to know how much exposure the city has when it comes to weather. We have fixed expenses that have to be paid regardless if we hold the event or not. **CM Minner** stated he would have to go back, look and draw on the experiences from covid. That was the worst experience we ever saw. Without evading the question, that is an extremely difficult question to answer. **Commissioner Connell** questioned if they would lose half a million dollars if we did not have Bikefest? Would it be somewhere between 0 and $100,000? **CM Minner** said yes. Entertainment is one of the largest expenses, at about $200,000. If they had to cancel all or some of Bikefest it would depend on when. If it was a total washout, most companies honor the commitment, and they would come back at another time, or we would refund the booking fee. If we had a big show on Friday night, that might cost about $70,000. Depending on how much money was made that night, that is where variances come in. He does not think we would have half a million exposed, but it would be a six-figure number. Also, through experience from this past year with trying to buy insurance, we found that it did not pay off because the insurance numbers were so big it was not worth taking the gamble and there were other ways to mitigate it, so we did have some exposure there. **Commissioner Connell** said okay. That was what he figured. **CM Minner** continued to say there was an exposure, and if they wanted to beat him down for a number he would say it was six figures. **Commissioner Connell** opined that it was a pretty big gamble. **Commissioner Berry** asked to get a breakout for Bikefest with contractor services. **BD McDaniel** responded she was pretty sure that covered entertainment and cleaning. **CM Minner** added it includes security, food, forklifts, tent rentals and stage rentals. They could go back to the details he provided in his summary for Bikefest. It lists it all out, and that $468,000 will match closely to the breakdown. With <u>recreation impact fees,</u> he does not propose spending any of it. Remember next Tuesday there is $507,000 in recreation impact fees available to spend and none of that money came from The Villages. It all came from Core Leesburg growth. **Commissioner Pederson** wanted to verify it was not in the general fund reserve cash. **CM Minner** agreed it was not. It is in a separate reserved account and on Tuesday he will give some recommendations about how to spend it. **BD McDaniel** added this can only be used for growth. **CM Minner** said they could perhaps use it for Susan Street. **Commissioner Berry** asked if it had to be used within the next year? **CM Minner** answered no. It just has to be used in an expansion of recreational programming such as Susan Street. He stated that wraps up the details of the general fund. He asked if there were any questions, comments, or concerns. There were none.

Continuing, **CM Minner** said he wanted to revisit the proposal for taxes. He would like to keep it at the same rate, which would be a 7.5% increase. On Monday night's agenda, the city commission will have the famous DR-420, which sets the maximum millage rate, and he recommended setting it at 3.4752. They cannot go above that number, or it would have to be readvertized. Even if they do not want to have the current millage rate, they should still put it on the DR-420, because it can always go down, but it cannot go up.

Commissioner Connell wanted more clarification on the 7% increase. **CM Minner** pointed out if they kept the current millage rate of 3.34752 mills, that would be a tax increase of 7.5%. **Commissioner Connell** asked if the property appraiser was limited to a 3% valuation increase? **CM Minner** answered it was 3% if they are homesteaded. If they are homesteaded, they are capped at 3% and all commercial property is capped at 10%. **Commissioner Connell** wanted to confirm that we were merging in the middle. **CM Minner** replied it came out to 7.5%. **Commissioner Pederson** said nobody likes to talk about tax increases. On the chart he provided, it showed a decrease in last year's budget. He wanted to verify if we went down about 13% last year? **CM Minner** stated we were net neutral last year. Remember that was another creative budget year because we increased pay significantly to get everyone up to $15 per hour. It was a $2.6 million dollar pay increase for everybody, almost double what they normally do. **Commissioner Pederson** asked if they could put the chart back up that showed the eleven-year history of millage rates. He wanted to impress upon people that they took it down aggressively last year. **CM Minner** said last year we did a spending increase to benefit employees. We increased the fire assessment fee, and reduced taxes enough, which covered the increase in the fire assessment fee. It was a net neutral. **Commissioner Pederson** thanked him for that explanation. **Mayor Burry** said at the current millage rate we rank third from the bottom and everybody else is at a higher rate. **CM Minner** said yes, unless they all started lowering it. **Mayor Burry** added the chances of that happening are slim to none. It still puts us in a very favorable position by keeping the millage rate. **Commissioner Pederson** wanted to point out what they did last year. We took it down fifty basis points with the millage rate.

CM Minner stated tomorrow he had a meeting with the International Association of Firefighters (IAFF). He would like to go into that negotiation knowing the commission understands where they are headed so he can bargain in good faith. He wants to bring the workload down, take the pay up by 4% and potentially bring on more personnel. **Commissioner Pederson** said he felt comfortable with that. If he can sell it. **CM Minner** added that it will not commit the commission to anything because at the end of the day they have to come back and ratify whatever we tentatively agree to. Tomorrow he will propose shorter work hours effective April 1st. Initially, they would bring on three additional firefighters and get a 4% pay increase. If they agree to this, we have the money to cover it. If they say yes, we will make a tentative agreement. Once the union agrees and votes on it, it will come back to the commission for voting. It has to pass the union by 50% plus one vote. If it does not pass the union, they are back at the table for renegotiating. If they ratify it, and it comes to the commission and the commission does not ratify it, they are back at the table. **Commissioner Pederson** said they talked about reducing hours. He heard they would go from 2,900 to 2,400 hours. He wanted to know if they were salary? **BD McDaniel** said they are going from 2,704 to 2,496 hours. **Commissioner Pederson** wanted to know if they were hourly or salary. **BD McDaniel** responded hourly. **CM Minner** added checks will not change, but they will work about 300 hours less a year.

Commissioner Connell said there were ideas from the commission, and he wanted to know when they would discuss those. **CM Minner** said he would go commissioner by commissioner and Commissioner Connell asked to lower the millage rate and for advertisement money to specifically advertise South Leesburg. That has been a hard nut to crack. If we bring in a marketing firm, it will cost somewhere between $15,000 and $25,000. That was not a hard number, but it specifically targets South Leesburg and the commission needed to jointly approve that. If they want to throw that into the budget, he should be able to find $25,000. When goals start benefiting specific districts, the commission needs to talk about them. **Commissioner Connell** said he was referring to south US 27 because that is where a majority of our growth is right now. There is a major lack of commercial development down there. For years, the city had a department and part of the tasks were with economic development. From a commercial standpoint, we have not grown very well and that is a small amount to pay to attract a few businesses. It would be money well spent. **Commissioner Reisman** wanted to know how much the city spends on Lake Economic Area Development (LEAD). **CM Minner** replied yes, we spend about $27,000 on LEAD. While we do not have an economic development department, we do have LEAD, which is a county service. That is how we generate our economic development efforts, and it would be up to the commission to judge whether that is fruitful. We also have constant conversations about growth and the numbers are clear about where growth is happening and where growth is not occurring. Remember, commercial growth goes hand in hand with residential growth. In every stump speech he has given on economic development in Florida, we see the service economy as growth. In Florida, we are service-economy driven and commercial investments come after the rooftops. That is the phenomenon and the growth numbers in South Leesburg are not there yet. We have Arlington Ridge and unincorporated county growth. There is growth in South Leesburg, we cannot deny that, but every PUD that has been adopted includes a commercial segment. If we want to push the envelope, that argument is with the commission. **Commissioner Connell** explained there is a tremendous number of rooftop units in South Leesburg. He was not talking specifically about the city limits. If they look at all the rooftops down there, there is a tremendous number of homes. He does not feel like the city is doing anything to market commercial development in that area. There is nothing on US 27 down there because we have not reached out to anyone. **Commissioner Pederson** wanted to know what he was specifically looking for. **CM Minner** noted that the city has done that. We put effort into putting out a pamphlet to market our demographics. We did that a year or two ago and we did not get much response. **Commissioner Pederson** said he was curious about what he wanted to accomplish. **Commissioner Connell** pointed out there are two main things he would like to see in South Leesburg on US 27; retail and some nice quality sit-down restaurants. Right now there is nothing down there, and there are plenty of enough rooftops in incorporated and unincorporated areas down there to sustain that. If we reached out and made some of these companies aware of what is going on down there, it could help attract retail and restaurants. It is only about $20,000 and if we land one business we will get our money back. It is not far-reaching to hire somebody to market South Leesburg. For years, the city had a department which was combined with another department, but it included economic development. The city does not do much at all with advertising. **Commissioner Pederson** said they have been focused on job creation and, without being argumentative, that it is demographic driven. He was not against it, but rooftops are coming, and that will follow soon. Good restaurants and retailers look at demographics, population, and income levels. They already have that data and that area is still growing. **Commissioner Connell** emphasized that the city has not done much to self-promote. We are sitting back and waiting for them to come to us. We need to go out and seek them. **CM Minner** suggested, as a compromise, between now and August 1st, if they find twenty-five grand, he would put that in the budget for doing a study. **Commissioner Berry** verified that he was suggesting hiring someone to do a market type analysis. **Commissioner Connell** said yes. **Commissioner Reisman** wanted to know if that would just cover South Leesburg or the entire city. **CM Minner** stated it would be for South Leesburg. **Mayor Burry** pointed out that they were not giving credit to the corporations that run the restaurants. They do their homework, and if they cannot be profitable there, they will not come until they can be profitable. Otherwise, they will have to close their doors.

Commissioner Connell interjected and said they do not know what is going on because we have not reached out to them. **Commissioner Pederson** stated when he first started on the commission numerous people asked when Leesburg was going to get a Chick-fil-A and a Panera Bread. He would just smile and say he could not control that because it was all based on demographics. Well, look, we have a Chick-fil-A now because demographics have finally caught up and, when a Chick-fil-A comes in, Panera Bread is usually not far behind. They both look at the same demographics. He was not drawing a line saying he was against it, but it was based on demographics. Even with residential, we did not market that, and it is exploding. Heck, people are even complaining about it. **Commissioner Connell** said commercial was different from residential. **Commissioner Pederson** wanted to point out that commercialization follows residential, and it will be here soon. **Commissioner Connell** said if we reached out to them, it would expedite it. We are only talking about $20,000 to $25,000. If we land one restaurant or retail shop, we will have made our money back within a year or two. **Commissioner Reisman** asked if they could leverage LEAD to see if they could do more for South Leesburg since we already pay them. **CM Minner** said he has asked LEAD. However, the first twenty-five grand will be stuck into the budget for advertising South Leesburg. The city did send out pamphlets to market South Leesburg, but that was pre-Villages. This is the first year since they started development, and they now have 3,000+ houses in that area, so it may make a difference. **Commissioner Connell** said the pamphlets were sent out about three years ago. **CM Minner** added he reviewed the pamphlet prior to sending it out. **Commissioner Connell** agreed and there was nothing wrong with the pamphlets, but that was done three years ago. **Mayor Burry** asked if we heard anything from the pamphlets that were sent out three years ago? **Commissioner Connell** said he understands what is being said, and the staff did an excellent job on the pamphlets, but that is not their forte. That is not what they do for a living, nor is it their background. **Mayor Burry** believed that restaurants already know where they want to go. **Commissioner Connell** stated every city should put some money aside to market themselves.

Mayor Burry asked if there were any comments. There were none.

CM Minner reminded everyone of the holiday coming up. On Monday they will have their regular commission meeting. Tuesday, they will discuss special revenues and enterprise funds. They may get into CIP discussions. On Thursday, they will review the rest of the enterprise funds and pension trust funds along with internal service funds. Then, on Monday the 15th, there is a special meeting, so it will be a busy month.

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.

With a motion by Commissioner Reisman and a second by Commissioner Perderson, the meeting adjourned at 7:16 p.m.