

**Minutes
City of Cocoa
Budget Priorities & Fiscal Sustainability Workshop**

June 25, 2020

A Budget Priorities & Fiscal Sustainability Workshop was held on Wednesday, June 25, 2020, in Cocoa City Hall, in City Council Chambers, located at 65 Stone Street, in Cocoa, Florida, 32922, as publicly noticed.

I. Opening Matters:

Mayor Williams called the meeting to order at 5:00pm.

Chief Lamm provided the invocation and Deputy Mayor Goins led the assembly in the Pledge of Allegiance to the Flag of the United States of America.

The Assistant City Clerk took the roll.

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| PRESENT: | Jake Williams, Jr. | Mayor |
| | James Goins | Deputy Mayor |
| | Don Boisvert | Councilmember |
| | Lorraine Koss | Councilmember |
| | Brenda Warner | Councilmember |
| | Anthony Garganese | City Attorney |
| | Matt Fuhrer | Interim City Manager |
| | Monica Arsenault | Assistant City Clerk |

OTHER STAFF MEMBERS PRESENT:

Tammy Gemmati, Administrative Services Director; Nancy Bunt, Community Services Director; Jack Walsh, Utilities Director; Michael Cantaloupe, Chief of Police; Jonathan Lamm, Fire Chief; Samuel Byrd, Deputy Fire Chief; Bryant Smith, Public Works Director; Samantha Senger, Assistant to the City Manager/PR Specialist; Rebecca Bowman, Finance Director; and Lora Howell, Deputy Finance Director.

II. Agenda:

1. Agenda: Budget FY 2021 & Fiscal Sustainability Workshop. (20-360).
- * **MOTION by Councilmember Boisvert; Seconded by Deputy Mayor Goins, to approve the Agenda as written for the Special meeting of June 25, 2020.**

AYES: Williams, Goins, Boisvert, Koss, Warner

THE MOTION CARRIED UNANIMOUSLY (5-0)

III. Workshop Topics

1. Current Budget Update

Interim City Manager Fuhrer provided a presentation¹ and reviewed the budget timeline. He shared the budget connection to the Strategic Plan and pointed out that the City was assigned Aa2 rating from Moody's Investors Service. Additionally, during the Covid-19 Pandemic the Utilities Bond Rating was changed from AA Positive to AA Stable by S&P. The City also received GFOA's Distinguished Budget Presentation Award and the Certificate of Achievement for Excellence in Financial Reporting.

Interim City Manager Fuhrer reviewed horizon issues which included public safety pensions, health insurance, the future solid waste contract, natural disasters and the US Supreme Court ruling for internet sales taxes.

An update was provided regarding Covid-19. Interim City Manager Fuhrer noted that sales taxes were down in the state of Florida in March and April. Furthermore, the impact on property values will be unknown for future years. He gave an update on unemployment rates for the months of March, April and May. Interim City Manager Fuhrer also shared that on May 5, 2020 the Board of County Commissioners approved the use of up to \$4.4 million in CARES ACT funds for housing rental and mortgage assistance, housing utility and security deposit and food stability for individuals impacted by Covid-19.

Interim City Manager Fuhrer shared an estimation of Covid-19's impact to FY21 revenues. He reviewed the FY20 approved amendment to General Fund expenses due to Covid-19.

Interim City Manager Fuhrer provided the FY21 General Fund overview. He discussed the General Fund Revenue sources and explained the General Fund Revenue trends. The FY21 General Fund Revenues by funding source was

¹ Exhibit A: FY21 Budget Priorities & Fiscal Sustainability Workshop

discussed as well as the FY21 preliminary budget for General Fund expenses broken down by department.

Interim City Manager Fuhrer reviewed core municipal services and noted that these services account for 81% of the General Fund budget excluding capital expenses.

He shared the FY2021 departmental requests for significant capital items that were moved to FY2022. This includes:

- 7 unmarked police patrol cars
- Police scanning and mapping crime scene device
- Traffic response trailer
- Traffic advisory sign
- Pierce enforcer pumper truck
- Fire inspector vehicle
- Public Works replacement vehicle
- Fleet faster upgrade
- One elevator controller

Interim City Manager Fuhrer added that additional items requested for FY21 such as the fuel tanks, are being moved to the FY20 budget. FY2021 department personnel requests were also discussed.

Interim City Manager Fuhrer reviewed the City Council's priority requests for FY21 that were discussed at the May Budget Priority Workshop. The priority requests include community improvements² and employee investments.

He discussed the use of the General Fund balance reserves and explained the Fund Balance Reserve Policy which states that the purpose of the policy is to ensure there will be adequate liquid resources to serve as a financial cushion for the General Fund.

Additionally, he reviewed the General Fund Balance (2019 CAFR) and noted that the remaining unassigned fund balance at the end of FY20 is \$2,785,249. The current projected use of the fund balance for FY21 was explained in detail and Interim City Manager Fuhrer pointed out that the total unassigned fund balance use is \$640,000.

² City Attorney Garganese left the room at 5:53pm & returned at 5:56pm

Community based requests were shared by Interim City Manager Fuhrer. The requests include:

- Brevard Public Schools, Cocoa High School (track, football field turf, bleachers) which was budgeted in FY19 & FY20
- Brevard Museum, annually for three years, for museum operations
- Endeavor Elementary for a Wellness Coordinator

It was pointed out that the Cocoa YMCA had initially submitted a request for funds but a notice was received on June 24, 2020 that they would be permanently closing the Cocoa location.

Councilmember Boisvert shared his concern about the City continuously donating to schools. He pointed out that many feel they are already paying for schools out of their taxes and feel that they are paying double when the City is also using tax-payer money to donate to the schools as well.

Mayor Williams suggested that a map be drawn up to identify the City's amenities so Council and staff can take a better look at them and review their operations and possibly assess which amenities may need assistance.

Councilmember Warner added that the City's social media platform can be utilized to get the word out about the City's amenities so citizens are more aware of them³.

Mr. Peter Napoli, Stantec, provided an annual analysis of the budget and the General Fund FAMS Model.

Interim City Manager Fuhrer asked for City Council's direction regarding the following:

- Millage Rate
 - Maintain current millage rate – 5.9790
 - 6% increase to property values for tax year 2020 estimate, FY2021. Estimated revenue \$382,729
- Fire Assessment Rate
 - FY2021 project a 3% increase – the preliminary FY2021 Budget has been built with no increase. Estimated increase of 3% would account for an additional \$78,600 in revenue. Fire Assessment revenue \$2,698,600 would then account for 40% of the Fire Department's budget.

³ A five minute break was taken by Council at 6:40pm

* **CONSENSUS by Council to approve the preliminary Millage Rate and Fire Assessment Rate as presented.**

Interim City Manager Fuhrer provided the FY21 Stormwater budget overview. He discussed the FY21 Stormwater Fund preliminary revenues by funding source and the FY21 Stormwater Fund preliminary expense budget.

Mr. Kyle Stevens, Stantec, presented and discussed the Stormwater FAMS model in detail.

* **CONSENSUS by Council to build the proposed FY2021 Budget as presented.**

Interim City Manager Fuhrer presented the FY21 Water/Sewer preliminary budget overview. He shared the fund revenue trends as well as revenues by funding source. He discussed the FY21 Water/Sewer preliminary expenses by division and he provided a snapshot of the preliminary budget⁴.

Mr. Jeff Dykstra, Stantec, presented and discussed the Water/Sewer FAMS model in detail.

Interim City Manager Fuhrer pointed out that a complete Water/Sewer Rate Study is currently underway. An analysis is continuing for the division new position requests, and they are not currently in the budget. The preliminary budget does have projected increases for growth, but there is no rate increase built into the budget. Additionally, two new funds will be created after the Budget Workshop, the Water/Sewer Impact Fee Fund and the Renewal and Replacement Fund. Both of these funds revenue and expenses will be moved, changing the total budget for Water/Sewer.

Interim City Manager Fuhrer pointed out the upcoming workshops and hearings as follows:

- July 22, 2020 @ 6pm – TRIM Hearing
- August 26, 2020 @ 6pm – Preliminary Fire Protection & Stormwater Assessment/Rates
- September 9, 2020 @ 6pm – 1st Public Hearing for:
 - Vote for a proposed millage rate
 - Vote on the proposed FY2021 budget
 - Resolution – Final Fire Assessment

⁴ Mayor Williams left the meeting at 7:40pm & returned at 7:43pm

- Resolution – Final Stormwater Assessment/Rates
- September 23, 2020 @ 6pm – 2nd Public Hearing for:
 - Final millage rate adoption
 - FY21 budget adoption

Mayor Williams suggested a State of the City meeting in place of the Town Hall meetings that were cancelled due to Covid-19. He asked for a consensus from Council.

- * **CONSENSUS by Council to coordinate a State of the City meeting at a time to be determined.**

2. Reports

Mayor Williams announced that Covid-19 testing will be conducted tomorrow, June 26, 2020 at Byrd Plaza from 10am-3pm. Additionally, free meals will be provided by Pebbles Catering on Wednesdays from 4pm-6pm.

Councilmember Koss shared that there is now hot zone GIS mapping for Covid-19.

Chief Lamm provided a brief update regarding Covid-19 in Brevard County and in the City of Cocoa.

Alec Greenwood, 640 Brevard Ave., inquired about late fees on water accounts and how the City utilizes these funds. In response, Interim City Manager Fuhrer provided information in regard to Mr. Greenwood's question and referred to the estimated Covid-19 impact to the FY21 revenues shown in the presentation.

Furthermore, Mr. Greenwood inquired about increased security in Council Chambers. In response, Interim City Manager Fuhrer shared that this will be brought before the Council possibly as early as the next regularly scheduled Council meeting.

- * **MOTION by Councilmember Boisvert; SECONDED by Deputy Mayor Goins, to adjourn the Budget Workshop.**

AYES: Williams, Goins, Boisvert, Koss, Warner

THE MOTION CARRIED UNANIMOUSLY (5-0)

The meeting was adjourned at 8:20pm.

Jake Williams, Jr., Mayor

ATTEST:

Carie Shealy, MMC, City Clerk
(Transcribed by M. Arsenault, Asst. City Clerk)