



## SEBASTIAN BUDGET REVIEW ADVISORY COMMITTEE AGENDA

6:00 P.M. MONDAY – JULY 17, 2023  
CITY HALL  
1225 MAIN STREET

- a. Call to Order
- b. Pledge of Allegiance
- c. Roll Call
- d. Approval of Minutes: Meeting of May 15, 2023
- e. Presentation of Draft Budget by Ken Killgore, Administrative Services Director/CFO
  1. Power Point Presentation
  2. Questions or Comments by Members
  3. Discuss and Vote on Setting Proposed Millage for TRIM Purposes
- f. Next Meeting Date – Monday, July 31, 2023 to Review 3<sup>rd</sup> Quarter Budget Report
- g. Adjourn

### Agenda Attachments:

- Minutes for Meeting of May 15, 2023
- Power Point Presentation of Draft Budget for Budget Committee July 17, 2023
- Power Point Presentation of High Level Overview for City Council July 26, 2023
- Draft Budget and Capital Improvement Plan – Available at the following link:

<https://www.cityofsebastian.org/Archive.aspx?ADID=154>

*ANY PERSON WHO DECIDES TO APPEAL ANY DECISION MADE WITH RESPECT TO ANY MATTER CONSIDERED AT THIS MEETING WILL NEED A RECORD OF THE PROCEEDINGS AND 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 HEARD. (F.S.286.0105)*

*IN COMPLIANCE WITH THE AMERICAN WITH DISABILITIES ACT (ADA), ANYONE WHO NEEDS A SPECIAL ACCOMMODATION FOR THIS MEETING SHOULD CONTACT THE CITY'S ADA COORDINATOR AT 589-5330 AT LEAST 48 HOURS IN ADVANCE OF THIS MEETING.*

## ZOOM INFORMATION

Please click the link below to join the webinar:

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**CITIZENS BUDGET REVIEW ADVISORY COMMITTEE  
MINUTES OF REGULAR MEETING  
MAY 15, 2023**

I. Chairman Napier called the Citizens Budget Review Advisory Committee meeting to order at 6:00 p.m.

II. Pledge of Allegiance was recited by all.

III. Roll Call  
Present

Mr. Middleton  
Mr. Hoffman  
Mr. Napier

Mr. McGinn  
Ms. Cerda – Late Arrival (via Zoom)

Not Present

Ms. Reed (a) -- Excused  
Mr. Newhart -- Unexcused  
Mr. Hall -- Unexcused

Also Present

Mr. Ken Killgore, Administrative Services Director/CFO  
Mr. Joseph Perez, AV Technical Assistant  
Ms. Janet Graham, Technical Writer

IV. Vote to Excuse or Not Excuse Absent Members

It was the consensus that Ms. Reed (a) is excused from this evening's meeting, and Mr. Newhart and Mr. Hall are unexcused from this evening's meeting.

V. Approval of Minutes: Meeting of March 13, 2023

Everyone having had a chance to review the Minutes from March 13, 2023, Mr. Napier called for a motion. A motion to approve the Minutes as presented from March 13, 2023 was made by Mr. Hoffman, seconded by Mr. McGinn, and approved unanimously via voice vote.

VI. Review of Second Quarter Financial Report

Mr. Killgore reviewed the quarterly reports which will be submitted to the City Council at its meeting on Wednesday, May 24, 2023 (SEE ATTACHED). He reviewed that attached to the Resolution adopting the budget changes is a breakdown of changes that were made during the quarter. There were several large items, one of which was to appropriate funds for the golf carts that will be ordered. There is also a City Attorney recruitment

process, and there will be funds allocated for the consultant regarding that item. There were also pay rate changes for the exempt employees that were authorized by the Council. There is also the remodeling project of the Building Department's front counter. That project is progressing presently. There is the US1 pattern pave replacement. That is a contract with FDOT, so there was additional funding allocated for that. There was the collective bargaining agreement for the police officers, and the funds for that approval were appropriated. There were additional expenses on the golf cart batteries to extend their lives until the new carts are received. There were no adjustments out of the R&R accounts. The other adjustments were those that were authorized by the City Manager.

Mr. Killgore reviewed the General Fund Summary, the American Rescue Plan Act Fund, the General Fund Balance Forecast, the Stormwater Fund Summary, the Airport Fund Summary, the Golf Fund Summary, and the Building Fund Summary.

Mr. McGinn asked regarding the R&R accounts which Mr. Killgore explained. He further explained that the R&R fund is carved out of the General Fund Reserves. Mr. McGinn asked regarding the lower amounts that were spent by some departments during the second quarter. Mr. Killgore stated that in the General Fund there are not a lot of departments that are that far under. Mr. Napier added that some of the revenue streams are approximately 60 days behind. Mr. McGinn asked that that question be tabled until Mr. Killgore goes deeper into the report.

Mr. Middleton pointed out that the Community Development has been pretty much in the same ballpark for the second quarter actuals since 2019.

Mr. Killgore reviewed the breakdown of all the outstanding capital projects that have been established. He stated a good part of those remaining balances are some major projects that have been going on in the American Recovery Plan Act. He added that there is hopefully the FEMA money that will be matched with DST funds for the canal restoration project. There is also some grant funding.

Mr. Hoffman asked regarding the new phone system for which funds were allocated, and we are two years out, and this project has not yet been completed. Mr. Killgore stated there was a balance, and he expects that this will be closed out this year. Mr. Hoffman asked also regarding the Yacht Club Seawall project. Mr. Killgore stated that some of that is tied in with the hurricanes, Irma and Nicole.

Mr. Napier brought up the funding for the golf course. There was a protracted discussion regarding this subject among Mr. Killgore and the Board members.

Mr. Killgore reviewed that the interest rates on the cash balances are climbing, which is encouraging.

Mr. McGinn asked if the building fund for City Hall is close to being paid off. He asked if there is a mortgage on this building. Mr. Killgore stated absolutely not. That has been paid off for over two years. Mr. Napier explained that the City cannot mortgage its assets. Mr. Killgore explained that the loans that were made to build this building have been recently paid off in the last year. Mr. Napier stated that governmental property cannot be mortgaged in the state of Florida.

Mr. Killgore then asked for questions/comments from the Board members.

**Mr. Hoffman** -- Where in the reports it talks about adjustments for vehicles and mentions a sports utility vehicle, which Mr. Killgore explained.

**Mr. McGinn** -- Asked when Mr. Killgore predicts that the next budgeting process will be begun. Mr. Killgore stated there was some uncertainty with the labor negotiations as to how to do some of the projections. Hopefully, by this Friday the department heads are to submit their requests for contractual services. They have already submitted their capital budget requests. He stated that by June 30<sup>th</sup> he should get an estimate on the taxable values for ad valorem taxes. His estimate is that most of the pay increases that have been being negotiated will be possible to cover with the expected revenues for next year from the General Fund. Mr. McGinn stated that there are charter officers being replaced, and it is getting difficult to hire people, the City is understaffed, and when the budget review is done that needs to be kept in mind.

**Mr. Napier** -- He understands that there was a payroll study done, and he assumes salaries are being adjusted to what that study recommended. Mr. Killgore stated that is correct, for that point in time. Mr. Killgore added that it is a three-year contract, and they do call for 5% raises this October and the year after.

Mr. Killgore said the next meeting of the Budget Committee will be July 17<sup>th</sup>, 2023. That will be the meeting where he presents the initial draft to the staff. Mr. McGinn said he will be on Zoom for that meeting.

#### VII. General Discussion by Members

**Mr. Middleton** -- asked if the City staff is looking to do something with the City Manager position in regards to contract payout or PTO payout with the present City Manager's departure, and will that change that department's budget. Mr. Killgore said he cannot predict that.

**Mr. McGinn** -- stated he has been to the City Council meetings. He opined that the more important thing is that there will be some serious recruitment costs. He added that a City Attorney has been located, and that contract is in the process of being completed.

Mr. Napier said they are waiting for the 30-day resignation before they can go to a contract with the woman who has been selected.

**Mr. Hoffman** -- asked regarding the resignation of the City Manager, who assumes the \$15,000.00 approval for R&R projects. Mr. Killgore said whoever fills that position would be responsible. Mr. Hoffman asked if that would pass to Mr. Killgore. Mr. Killgore stated that everything that is spent passes his desk. He sees every invoice. Mr. Napier asked if Mr. Killgore has authority up to a certain amount and the City Manager has authority for everything over that amount. Mr. Killgore said everything over the \$750.00 requires a purchase order. Those purchase orders get approved by Jennifer Smith in his office, Mr. Killgore himself, the Purchasing Manager, and then the City Manager. Mr. Hoffman then asked regarding the change with Waste Management and the change that will happen to transfer, will trash collection become an enterprise fund or a special revenue fund, or will that go through the General Fund. Mr. Napier said it will be collected on the tax bill. Mr. Killgore said the stormwater comes to the City in a special revenue fund, and the expenses of that operation are accounted for from those revenues. Mr. Hoffman asked if the Waste Management will be the same way. Mr. McGinn said the Waste Management will be directly from the tax office. Mr. Killgore said he thinks that it will be a special revenue fund so that he can give it straight to the public as tax collections that the City gets via the County, and then the City will pay Waste Management..

There was additional discussion among all Committee members and Mr. Killgore regarding the handling of Waste Management fees.

VII. Next Scheduled Meeting Date (Monday, July 17, 2023)

Mr. Killgore stated that the next meeting will be on Monday, July 17, 2023. Mr. Napier said that is when Mr. Killgore will give this Committee a tentative budget.

VIII. Adjourn

There being no further business, Chairman Napier adjourned the meeting at 7:00 p.m.

By: \_\_\_\_\_  
Larry Napier, Chairman

Date: \_\_\_\_\_