

MINUTES OF THE BUDGET WORKSHOP
of the
LAKE COUNTY WATER AUTHORITY
July 19, 2016

The Budget Workshop of the Board of Trustees of the Lake County Water Authority was held at 10:00 a.m. on Wednesday, July 19, 2016 in the Lake County Water Authority Administration Building, Conference Room at 27351 State Road 19, Tavares, Florida.

Members Present-District #

Staff Present

Peggy Cox, Chairwoman (#1)
Adam Dufresne, Vice Chair (At Large)
Doug Bryant (#4)
Charles Clark (#5)
Carolyn Maimone, (#3)

Michael J. Perry, Executive Director
Patricia Burgos, Environmental Prog. Mgr.
Sergio Duarte, Water Res. Proj. Mgr.
Ben Garcia, GIS Manager
Brian Nagy, Field Services Mgr.
Carole Barice, LCWA Attorney
Linda Marino, Administrative Assistant
Anna Ely, Recording Secretary

A list of others present that signed the attendance roster is filed in the permanent files of the Water Authority.

1. CALL TO ORDER / PLEDGE OF ALLEGIANCE

The meeting was called to order at 10:22 a.m. everyone stood and recited the Pledge of Allegiance.

2. REVIEW OF FY 2016-2017 BUDGET

Mr. Perry informed the Board that this workshop provides a first look at the budget. He stated that there would be several more chances to discuss and make changes before the budget is adopted. He stated that at next week's Regular Board Meeting they would need to set a tentative millage.

He explained that the tentative millage is the highest millage rate the Board intends to set. He stated that they could always choose to set the millage at a lower rate than the tentative millage, but not at a higher rate. He noted that the current proposed budget was developed using the same millage as last year.

FINANCIAL AND ADMINISTRATION

Personnel

Mr. Perry explained that the budget is organized a little bit different this year, with Land Resources, and Water Resources separately, where they used to under one category. He noted the addition of Field Services as a separate category. He explained that this would make it easier to work with Lake County's MUNIS accounting system.

He stated that there are not a lot of other changes to the budget and as they go through the budget, he would point out the things that have changed, and focus on a couple of new items. He stated that he would be happy to answer any questions along the way.

He noted that a 3% cost of living increase has been included in the budget, which is in line with what Lake County and Polk County are proposing in their budgets. He noted that some of the other counties have also included a merit increase in their budgets.

Chairwoman Cox asked about the accrued leave expenses and it was noted that these funds have to be accounted for in the budget.

Chairwoman Cox also asked about the increase in the insurance expenses and Mr. Perry explained that the Water Authority utilizes Lake County's Health Insurance plan and the cost of health insurance per individual has increased. He noted that the agencies portion of this increase

is reflected in the budget. He also noted that employees will also have an increase in their portion of the cost.

Mr. Perry noted that the cost of retirement contributions has gone down due to the fact that he and Ms. Marino are both in DROP.

Operating Expenses

Mr. Perry explained that any expenses related to the new building from last year's budget have been zeroed out of this year's budget.

He pointed out the Property Appraiser and Tax Collector Commissions and stated that they were based on the current millage of .2554 millage. He explained that if the Board decides to go to a lesser or higher millage rate, that amount will change accordingly.

He pointed out the Communications have been removed from this section and will now be under Ben Garcia with all the other IT and Communication expenses.

Mr. Perry explained that money is still being set aside under Utility Services for the old office. He stated that he is hoping that the old office will sell soon. He informed the Board that he had recently met with John Cherry from LifeStream and stated that they may be interested in the purchasing the building.

He explained that all Insurance costs (auto, property, etc.) are now under Administration rather than being spread throughout the budget. It was noted that this also includes any insurance related to NuRF.

He noted that reduction in Repair and Maintenance costs as the cost of repairs for the old office building have been removed from the budget for the coming year.

He also noted the cost of new stationary has been included in the budget, in order for stationary to be printed with once the new Board members are elected.

Mr. Perry pointed out that the cost of Boat Registrations and Fuel are no longer in this section, and can now be found under Field Services.

It was noted that the reduction in SunTrust fees is due to rearranging of the accounts. Mr. Perry also pointed out that as there is no benefit to the Water Authority being a member of the South Lake Chamber, he has removed the cost of membership from the budget as the Water Authority will not be renewing its membership.

Chairwoman Cox asked about the money budgeted for Board Training and it was explained that funding is budgeted for attending Lake County Days or Leadership Lake, or any other training a Board Member might need to take.

Mr. Perry stated that as the new office building has been completed, Capital Outlay has been zeroed out for the next year.

HICKORY POINT

Mr. Perry explained that there is no longer any personnel assigned to Hickory Point, as Mark Wiley is now assigned to Field Services under Brian Nagy.

It was noted that the cost for Kree Industries for weekend events at the park, would remain the same as the current year.

Mr. Perry pointed out the cost of communication services at Hickory Point had been moved to the IT section under Ben Garcia.

Chairwoman Cox asked if the electric costs for Hickory Point includes the electric costs for the office building and it was noted that it does not.

Mr. Perry noted that auto liability costs for Hickory Point are now under the Administration section with the rest of the auto liability costs.

He explained that the cost of the Hickory Point Pavilion Elevator Contract had inadvertently been left off the original budget and would be added back into this section.

He noted that replacement of the pavilion first floor decking had been completed and had been zeroed out of the budget.

He explained that resealing of parking lot had not been completed as of yet and most likely won't be completed this physical year, so those fund will be carried over into the new budget.

Chairwoman Cox asked about who issues the permit for the Bathing Beach and Mr. Perry stated that the Health Department issues those permits. Ms. Burgos explained that staff does monthly water testing and takes it to the Department of Health for testing.

Mr. Perry explained that anything previously listed under Hickory Point Operating Supplies will now be listed under Field Services.

EDUCATION

Mr. Perry explained that the amount spent for Education is limited by legislation to 3% of Ad Valorem taxes collected. He stated that the amount budgeted is well below that limit.

He noted that this section is where the portion of the Sheriff's Department funding that is considered education is accounted for as well as funding for Marc Crain and Maryann Krisovitch is included in this section.

He stated that staff is not planning to place an ad in the Water Resource Tabloid that comes out each fall, so that amount has been removed from the budget. He noted that funding for the Lakes Academy workshop is included in this section and explained that most likely they will reconfigure the event, which will probably cost less

He pointed out the funding budgeted for the Water Resources Mini-Grants and noted that we are no longer providing funding for substitute teachers.

Chairwoman Cox stated that the Water Resources Education Mini-Grants are \$20,000 and the Community Mini-Grants are \$8,700. Mr. Perry noted that additional funding for Community Mini-Grants is listed elsewhere in the budget.

Mr. Perry explained that last year, the Water Authority had provided Trout Lake with funding for travel for field trips since many of the Mini-Grants were requesting money to get there. He stated that totals are not in from Trout Lake at this time, to be able to tell if all the money was distributed. He stated that this amount might be recomputed based on final figures from Trout Lake.

RESOURCE COMMUNICATION

Mr. Perry explained that this section contains communication issues, not necessarily related directly to education. He stated that there are not a lot of big changes in this section other than the fact that staff has chosen not to do any advertising on the Lake Express busses, so that amount is being removed from the budget.

He pointed out the remainder of the funding for the Water Resources Community Mini-Grants that are not specifically related to Education.

Chairwoman Cox asked what might constitute an LCWA Public Event and Mr. Perry answered that an event like a NuRF Open House would be considered a Public Event.

WATER RESOURCES

Mr. Perry explained that Ron Hart, Sergio Duarte and Bill Guenther make up Water Resource and explained that their salaries are now covered under this section.

He stated that funding for the redesign of the Villa City Structure is included in this section along with the balance of the funding for the Lake Yale Evaluation.

Mr. Perry explained that the amount budgeted for the Lake Carlton Study will be reduced, as a portion of the cost has already been paid.

He noted that there is funding set aside for the design portion of the project for when the Lake Yale Evaluation is completed.

OTHER CONTRACTURAL SERVICES

Mr. Perry noted that funding for the Lake County Sheriff's Marine Unit is covered in this section along with funding for the construction portion of the Lake Yale Project.

He pointed out money that has been set aside for the Lake Harris Chain Restoration Council and stated that they have never used any of the funds. He noted that this section also includes funding from the Legislature to the Restoration Council that the Water Authority carries in its budget on their behalf.

MAINTENANCE RESERVE

Mr. Perry stated that some of the money from maintenance reserve has been moved to other parts of the budget. He explained that this reserve section is where he would normally go to balance the budget if needed.

He noted that Vehicle Maintenance has been moved to Field Services under Brian Nagy.

NuRF

He pointed out the budgeted amount for alum and polymer and stated that there were not a lot of changes in that section except for the cost of rain data. He explained that we now get that data free on-line and there is no longer a need to pay National Oceanic and Atmospheric Association (NOAA) for the information.

Chairwoman Cox asked about the amount budgeted for the Tank Replacement and Mr. Perry explained that funding for the tank had been previously transferred from Maintenance Reserve and is listed further on in the budget, unless the tank is delivered before October 1st. He noted that they are not expecting delivery until sometime early October.

Mr. Perry stated that the slope mower was purchased this year, so the cost has been removed from the upcoming year's budget.

He explained that YSI Water Monitoring Equipment used for monitoring probes at the NuRF is 7 years old and will be replaced with a better and more efficient piece of equipment.

STORMWATER GRANTS

Mr. Perry informed the Board that the City of Umatilla might cancel their stormwater project, which would mean that the \$100,000 set aside in the budget would be available for use. He noted that one option would be to add that amount into the budget for 2017 Stormwater Grants, which would bring that budget back up to one million dollars. He stated that this money has been held in the budget since 2012, when the project was originally awarded to the City of Umatilla.

Chairwoman Cox asked if they usually put a time-frame for use in the agreement, and Mr. Perry stated that he didn't know whether it was written into that particular agreement, but all recent grants do have deadlines.

Chairwoman Cox asked if both grants to the City of Tavares are for the Ruby Street Stormwater Project in Tavares and Mr. Perry stated that they there are actually three grants.

Mr. Perry stated that the South Lake County Historic Flow Restoration Project has been removed from the budget and there seems to be plenty of water.

Mr. Perry also informed the Board that the City of Eustis has asked whether the Water Authority would consider budgeting for a cooperative project on Lake Gracie. He stated that Lake Gracie

is not directly connected to any chain of lakes, but if the City of Eustis is willing to pay their portion of the funding, staff would be willing to bring it to the Board for discussion.

Vice Chair Dufresne asked Mr. Perry if anyone had spoken to staff regarding a project on Lake Joanna and Mr. Perry stated they had not.

FIELD SERVICES

Mr. Perry stated that Field Services is comprised of Brian Nagy, Linda Richardson, Marcia Robinson and Mark Wiley. He explained that Mr. Nagy and his crew are in charge maintenance of field vehicles and site maintenance.

Chairwoman Cox asked if most of the boardwalk, walkways and piers are at Hickory Point and Mr. Perry replied that section now includes boardwalks, etc. at the preserves.

Mr. Nagy noted that the Mule used at NuRF should be under the NuRF budget and not Field Services. Mr. Perry stated that he will make that correction.

Mr. Perry noted that funding for Boat Registrations have been moved from Administration to Field Services. He noted that fuel is now also budgeted under Field Services. There was discussion regarding where costs related to the airboat should be located. Mr. Duarte noted that the Mule at the NuRF is also listed under Water Resources. Mr. Perry stated that he would look at that portion of the budget and make corrections.

Mr. Perry pointed out the funding to pay for membership in the Rural Water Association, and stated that they are thinking about dropping that membership. He stated that Rural Water Association provides for calibration of the well at Hickory Point.

Chairwoman Cox stated that as the Volleyball Association is the only one using the well, they should handle the calibration. Mr. Perry stated that according to our consumptive use agreement with SJRWMD we should be totally off the well at this time.

Ms. Burgos explained that Ms. Hauserman provides meter readings of the well to SJRWMD and they let her know when the readings are off and the well needs to be calibrated.

INFORMATION TECHNOLOGY

Mr. Perry explained that Ben Garcia is the person assigned to Information Technology.

He pointed out the cost of Water Resource Atlas is under this section and noted that Mr. Garcia had worked the previous year to get these costs down from previous years.

He noted changes and additions and explained that Mr. Garcia is looking into possibly putting a keyless entry system in at the new office. He also noted that anything related to internet or cell phone service is now under Information Technology rather than Administration.

He stated that funding has also included for Cloud Back up Services and Dropbox Services.

OPERATING SUPPLIES

Mr. Perry pointed out that the expenses related to the new office building are zeroed out for this year, as the project is complete. He noted that this section also includes the funds for any server updates that may be needed.

He explained the additional link from the main A/C unit to the Server Room has been installed, and noted that the Server Room is now on the main A/C unit, as well as the backup unit.

LAND RESOURCES

Mr. Perry explained that Land Resources consists of Patricia Burgos, Ben Gugliotti and Tracy Hauserman. He stated that there aren't many changes under the Land Resources section for the upcoming year. He noted that the expenses of utility service costs for the preserves have been moved to the Administration section with all the other utility expenses.

He pointed out costs for equipment rental for projects that are slated for the next year and the funding included for contract burning and fire line maintenance on the preserves.

He pointed out funding for the Sawgrass Island Preserve restoration maintenance and stated that it is new. Ms. Burgos stated that this is funding for the restoration of the areas that were timber harvested. She explained that it would take a few years of burning and herbiciding to get the area to what it needs.

Mr. Burgos stated that they hope to plant a few more pines in the area where timber was harvested if there is enough rain this winter.

Chairwoman Cox asked about the funding set aside for Road Vacation and Ms. Burgos stated that it is for Wolf Branch Sink.

Mr. Perry pointed out that the increase on funding under Land Acquisition. He explained that it was made with the assumption that the Water Authority may look at purchasing land such as the parcels at Lake Norris, Lake Denham, etc.

Chairwoman Cox noted that there is also a parcel on Lake Griffin, and Ms. Burgos stated that that particular parcel is expensive.

Chairwoman Cox also stated that the Board is also interested in possibly procuring additional property along Lake Denham to go along with the property that Mr. Branham is proposing to donate to the Water Authority. She noted that the biggest issue on Lake Denham is the five hundred acre Muck Farm on Lake Denham.

It was noted that money has been set aside in the budget to put in a restroom and observation deck at Sawgrass Island Preserve. Ms. Burgos stated that the marsh is filled with Sandhill cranes in the winter, and an observation deck would make it possible for visitors to view the cranes.

Board Members were receptive to putting waterless toilets at Sawgrass Island Preserve. Vice Chair Dufresne suggested putting single toilets at the North and South entrances versus putting a double toilet at just one entrance. Mr. Bryant asked about cost of cleaning, maintenance, and whether it would be cheaper to have a restroom with running water.

Ms. Burgos stated that she would gather more information and bring the topic back to the Board for discussion once she has more information.

Mr. Perry noted that there are no new vehicles included in the budget for the upcoming year.

FUND BALANCE AND CONTINGENCY

Mr. Perry pointed out the Building Maintenance Fund and stated that it was established last year as a contingency fund to cover any maintenance expenses related to the old or new office.

COMMUNITY REDEVELOPMENT TRUST FUND REIMBURSEMENT

Mr. Perry stated that these funds are funds that have to be given back to local governments if they have established a Community Redevelopment District. He explained that amount is the amount of taxes generated from the improvements made by the Community Redevelopment District. It was noted that some cities have more than one Community Redevelopment District.

Mr. Perry stated that the **TOTAL EXPENDITURES** amount proposed for next year equals \$15,037,356

Chairwoman Cox noted the large decrease in Hickory Point Expenses and it was noted part of it is due to the fact that there is no longer an employee dedicated to Hickory Point. It was also noted that most of the fuel, vehicle maintenance, etc. were moved to Field Services.

Chairwoman Cox asked about the increase in Expenditures and Mr. Perry stated that the increase is only about two percent and includes an increased number of stormwater projects.

STORMWATER PROJECTS

Chairwoman Cox asked if all the one million dollars that had been set aside last year for Stormwater Grants had been awarded.

Mr. Perry stated that only two Stormwater Grants were awarded last year, and that not quite all of the one million dollars set aside had been awarded. It was noted that all Stormwater projects that have been awarded are in progress, except for one project that was previously awarded to Umatilla.

REVENUE

Mr. Perry explained that the Revenue portion of the budget consists of millage rate taxes collected, any outside revenue and Cash Carryforward.

CASH CARRYFORWARD

Mr. Perry explained that the Cash Carryforward is comprised of encumbered Stormwater Funds, Alum Reserves, as well as other reserve funds.

Mr. Perry explained that the difference between the budget being shown and the one the Board Members received in their packet is that the one being shown has changes based on the Roll Back Rate.

Mr. Perry explained that in June of every year, the Water Authority gets an estimated amount of the taxable value of the property in the county. He stated that when the actual certified valuation was released, it was actually less than the estimated valuation, which means less revenue. He pointed out that revenue that would be generated at the Roll Back Rate would still be approximately \$115,000 more than last year, due to new development.

He stated that the difference between the revenue based on the current .2554 millage rate and the Roll Back Rate is that the Roll Back Rate will bring in \$156, 782 less in revenue.

It was noted that last year the Board decided to stay with the same millage rate as the year before, and not go with the Roll Back Rate.

Mr. Perry explained that the Cash Carry Forward amount is still fluid at this time and all suggested changes made to the budget will fit into a budget at the Roll Back Rate of .2465.

Mr. Perry updated the Board on the sale of the old office Building. He noted that once the old office the estimate will be place with the actual amount in budget.

Chairwoman Cox asked if there were any other prospects besides LifeStream and Mr. Perry stated not at this time. He noted that the topic in on the agenda for discussion next week.

3. BOARD COMMENTS

Chairwoman Cox asked if the citrus lease located near Scrub Point was still active. She noted that Lake County is protesting the annexation of the property adjoining Scrub Point into the City of Clermont due to the development density that is being requested.

Ms. Burgos stated that the Water Authority had recently received the updated signed agreement and lease is still active at this time.

Chairwoman Cox informed the Board that the Lake County Board of County Commission had approved funding for the new volleyball fieldhouse at Hickory Point, and have posted for a project manager. She stated that if they are planning to use more space than is stated in the original lease, the Water Authority should receive more funding. It was noted that they have to come back to our Board to get approval before moving forward.

Mr. Perry stated that the Hickory Point 25th Anniversary is coming up in February and staff is considering having a celebration at the park, so he may be adding funding into the budget for that event. Members of the Board were in agreement with holding an Anniversary Celebration. It was noted that the park opened in February of 1992.

Ms. Maimone suggested sending out invitations to organizations that have utilized the park over the years.

Mr. Perry informed the Board that he had attended the Department of Transportation (DOT) open house regarding the construction of the new Howey Bridge. He stated that the bridge is still slated to be built on the opposite side of State Road 19 from Hickory Point.

He explained that they have purchased the right-of-way needed and have the design for the bridge. He noted that once the new bridge is completed, they plan to construct to remove the current bridge and construct an additional two-lane span in that location. He stated that the additional span is not expected to be built until at least 2030.

Vice Chair Dufresne informed the Board that Legislation now mandates that every elected official take Ethics Training yearly. He noted that the Florida League of Cities will be holding a four-hour training class in August should any Board Member wish to attend.

Mr. Bryant asked if the budget print out could be simplified more, in order to eliminate the center columns that they are no longer needed. He stated that this would put the description column closer to the total columns and make it easier to read.

4. ANNOUNCEMENT OF UPCOMING MEETINGS AND EVENTS

- Board Meeting - Wednesday, July 27, 2016 (3:30 pm)
BCC Chambers/Admin. Building

5. ADJOURNMENT

The meeting was adjourned at 12:13 p.m.

Respectfully submitted,

Anna Ely, Recording Secretary

Neil Kelly, Secretary-Treasurer

Peggy Cox, Chairwoman