MINUTES

CITY OF COCOA
SPECIAL MEETING OF THE CITY COUNCIL

September 5, 2018

A Budget Meeting/ 1st Public Hearing was held on Tuesday, September 5, 2018, in City Council Chambers at Cocoa City Hall, 65 Stone Street, Cocoa, Florida as publicly noticed.

I. OPENING MATTERS:

Mayor Parrish called the workshop to order at 5:36 p.m.

Councilman Whipple provided the invocation. Deputy Mayor Boisvert led the assembly in the Pledge of Allegiance.

Present:	Henry Parrish	Mayor
	Jeri Blanco	Deputy Mayor
	Don Boisvert	Councilman
	Brenda Warner	Councilwoman
	Clarence Whipple	Councilman
	Anthony Garganese	City Attorney
	John Titkanich	City Manager
	Matt Fuhrer	Assistant City Manager
	Monica Arsenault	Assistant City Clerk

Other Staff Members Present:

Tammy Gemmati, Administrative Services Director; Jack Walsh, Utilities Director; Ed Wegerif, Public Works Director; Karen Hamilton, Community Services Director; Gene Prince, Fire Chief; Jonathan Lamm, Deputy Fire Chief; Michael Cantaloupe, Chief of Police; Robert Beach, I.T. Manager; Teri Butler, Finance Director; Lora Howell, Deputy Finance Director; and Lea Taylor, Budget Analyst.

II. APPROVAL OF AGENDA:

1. Approve the Agenda for the Special meeting of September 5, 2018.

* **MOTION by Councilman Boisvert; Seconded by Deputy Mayor Blanco, to approve the agenda as presented.**

AYES: Parrish, Boisvert, Warner, Blanco, Whipple

THE MOTION CARRIED UNANIMOUSLY (5-0)

III. PUBLIC HEARINGS:

1. Approve the Final Fire Assessment Resolution No. 2018-071 and the Non-Ad Valorem Assessment Roll for the Fire Protection Assessment for FY 2019.

City Manager Titkanich provided a presentation[1] for the FY19 Budget. He pointed out the objectives for the new fiscal year and explained the FY19 Budget Development Philosophy which elaborates on the focus of the City to remain on a fiscally sustainable path. He noted the General Fund FY19 recommendations made by staff which include:

- Maintain millage rate at 5.9790 mills
- Adopt Fire Assessment Rate with a 3% annual adjustment
- Maintain fund balance at minimum reserve requirement
- Continue to plan for catalytic capital projects
- Reduction in commercial solid waste rates – approx. 7.75%

City Manager Titkanich turned over the discussion to Council to discuss the Final Fire Assessment Resolution.

As there were no comments or questions from Council, Mayor Parrish opened up the Public Hearing to the audience.

Patricia Edwards, 1475 Friday Road, explained that she has concerns with the taxes placed on properties for senior citizens. She noted that there seems to have been a break, as she has noticed that tax rates seemed to have dropped over the last few years, but she is concerned because senior citizens live off of a fixed income. She asked that Council consider a tax break for senior citizens.

Ms. Edwards asked what the Fire Assessment fees pay for. In response, City Manager Titkanich explained that the fees pay for part of, not all of, the fire protection services in the City.

Assistant City Manager Fuhrer asked Ms. Edwards to confirm her address. He pointed out that she actually resides in the County and suggested that she attend their budget meeting.

City Manager Titkanich pointed out when the County meetings are to Ms. Edwards.

[1] Exhibit A: Budget Presentation

Mayor Parrish closed the public portion of the hearing as there were no further questions or comments.

* **MOTION by Councilwoman Warner; Seconded by Councilman Boisvert, to approve the Final Fire Assessment Resolution No. 2018-071 and the Non-Ad Valorem Assessment Roll for the Fire Protection Assessment for FY 2019.**

AYES: Parrish, Boisvert, Warner, Blanco, Whipple

THE MOTION CARRIED UNANIMOUSLY (5-0)

2. (a) Adopt Resolution No. 2018-069 adopting a tentative millage rate of 5.9790 mills, for the City of Cocoa, commencing October 1, 2018 and ending on September 30, 2019.

City Manager Titkanich reviewed the Ad Valorem Tax Base history from FY08 to current.

He explained the FY19 Trim Rate options and how the millage rates will affect single family property owners. He noted that the valuation cannot exceed the CPI, or three percent (3%).

He shared the FY19 Comparative City Rates and pointed out that the City of Cocoa is currently ranked as number seven out of ten local cities.

City Manager Titkanich provided the FY19 Staff Proposed Rate.

Additionally, he made a public announcement to address the following:

- The City of Cocoa is the taxing authority
- The rolled-back rate is 5.7902
- The rolled-back rate is a 0% increase
- The millage rate to be levied is 5.9790
- The millage rate of 5.9790 is a tax increase of 3.26% as a percent change of the rolled-back rate

City Manager Titkanich opened the discussion to Council for questions and comments.

As there were no comments or questions from Council, Mayor Parrish opened up the Public Hearing to the audience. There being no response, the public portion of the hearing was closed.

* **MOTION by Councilman Boisvert; Seconded by Councilwoman Warner, to adopt a tentative millage rate of 5.9790 mills, for the City of Cocoa, commencing October 1, 2018 and ending on September 30, 2019.**

AYES: Parrish, Boisvert, Warner, Blanco, Whipple

THE MOTION CARRIED UNANIMOUSLY (5-0)

City Manager Titkanich announced that the City received news from S&P stating that the City has been upgraded from a Aa Stable rating to a Aa Positive rating.

(b) Adopt Resolution No. 2018-070, adopting the FY19 tentative budget and CIP, for the City of Cocoa, commencing October 1, 2018, and ending September 30, 2019.

City Manager Titkanich presented revenue trends for all funds and the General Fund revenue trends. He pointed out the funding sources that make up the City's FY19 General Fund revenue, Water/Sewer Fund revenue, and the Stormwater Fund revenue.

Furthermore, he provided the FY19 Proposed General Fund Capital Budget[2] and the FY19 Proposed Water/Sewer Capital Budget[3].

City Manager Titkanich explained the FY19 Proposed Capital Budget Other Funds which includes the Community Redevelopment Areas, Capital Projects Fund, and Stormwater Fund.

He presented a comparison of the FY19 Proposed Budget vs. the FY18 Amended Budget by fund and by department. Additionally, he explained the General Fund expenditure trends and the FY19 Proposed Budget vs. FY18 Amended Budget by General Fund category. He also shared the FY19 Water/Sewer Proposed Budget vs. FY18 Amended Budget broken down by both Fund category and Division.

City Manager Titkanich pointed out that there has been a change of approximately two hundred and forty thousand dollars ($240,000.00) in revenue from before the previous budget workshop to now due to the realization of fire protection as it relates to Walmart, additional grant funds, additional revenue for school resource officers, as well as paying out some debt service, etc.

City Manager Titkanich opened up the discussion to Council for questions and comments.

[2] Mayor Parrish left the room at 6:13pm

[3] Mayor Parrish returned at 6:15pm

As there were no comments or questions from Council, Mayor Parrish opened up the Public Hearing to the audience.

There being no response, the public portion of the hearing was closed.

Mayor Parrish asked about any additional changes. City Manager Titkanich spoke briefly about Hurricane Irma money that is still outstanding.

* **MOTION by Councilman Whipple; Seconded by Councilwoman Warner, to adopt a tentative budget and CIP, for the City of Cocoa, commencing October 1, 2018, and ending September 30, 2019.**

AYES: Parrish, Boisvert, Warner, Blanco, Whipple

THE MOTION CARRIED UNANIMOUSLY (5-0)

City Manager Titkanich noted that the next meeting, the 2nd and final Budget Hearing, will be held on September 13, 2018.

He thanked Council, staff, and especially the Finance Department for their efforts in dealing with the budget.

Mayor Parrish and Councilwoman Warner expressed how lucky the City is to have the tools that Stantec provides to monitor the budget.

IV. ADJOURNMENT:

* **MOTION by Councilman Boisvert; Seconded by Councilman Whipple, to adjourn the Special Meeting of the City Council of September 5, 2018.**

AYES: Parrish, Boisvert, Warner, Blanco, Whipple

THE MOTION CARRIED UNANIMOUSLY (5-0)

The Special Meeting of the City Council adjourned at 6:37 p.m.

Henry U. Parrish III, Mayor

ATTEST:

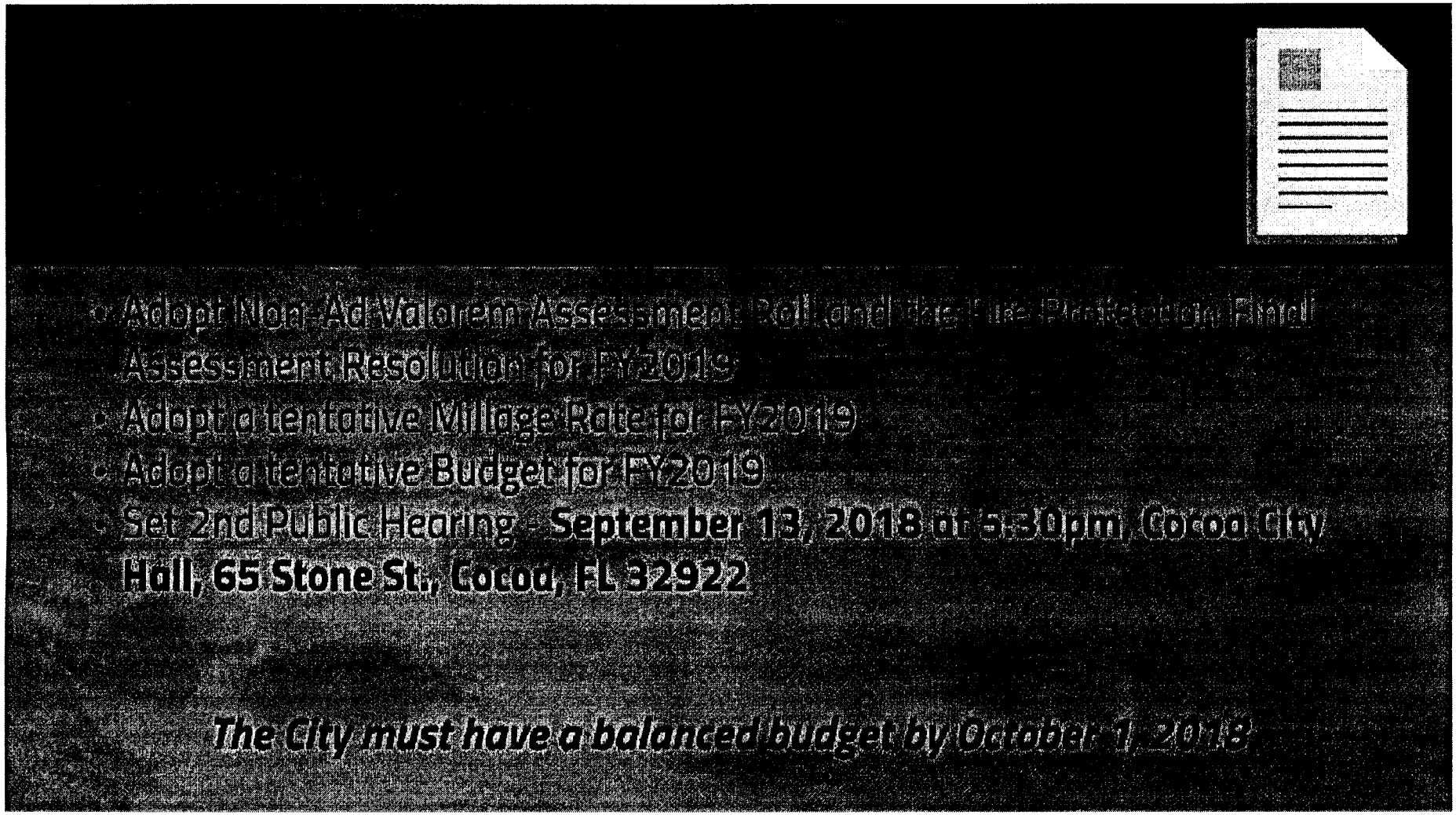
Carie Shealy, City Clerk
(Transcribed by M. Arsenault, Asst. City Clerk)

Exhibit A: Budget Presentation




BUDGET HEARING
FISCAL YEAR 2019
September 5, 2018

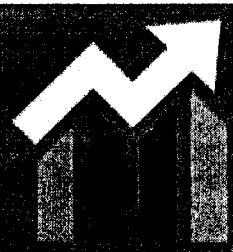

TRIM PROCESS
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BUDGET
CAPITAL PROJECTS, PROGRAMS AND EQUIPMENT
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QUESTIONS & DISCUSSION
BUDGET HEARING
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#TIGERPRIDE


Adopt Non-Ad Valorem Assessment Roll and the Fire Protection Fund Assessment Resolution for FY2019
Adopt a tentative Millage Rate for FY2019
Adopt a tentative Budget for FY2019
Set 2nd Public Hearing - September 13, 2018 at 5:30pm, Cocoa City Hall, 65 Stone St., Cocoa, FL 32922
The City must have a balanced budget by October 1, 2018


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FY 2019 Budget Development Philosophy

City remain on fiscally sustainable path



- **FOCUS:**
  - FY15 and FY16 Focus – Public Safety
  - FY17 and FY18 – Community Improvements & Infrastructure
  - Fiscal Year 2019 - Community Improvement/Employee Investment
- Maintain/enhance current Levels of Service provided to citizens and businesses
- Maintain/Control Expenditure Levels
- City currently negotiating with Collective Bargaining Units (Unions)
  - ***In addition*** to providing negotiated raises, provide for a level of market equity adjustments for those employees who were hired before implementation of Pay Plan adopted in 2015, and who haven't already received a market rate adjustments ($300K +/- recurring costs)
- Maintain employee benefits at reasonable levels

- **Maintain millage rate** at 5.9790 mills
- **Adopt Fire Assessment Rate** with a 3% annual adjustment (5% - FY2018)
- **Maintain Fund Balance at minimum reserve requirement**
- **Continue to plan for Catalytic Capital Projects** to enhance overall City values and growth
  - Utilize Fund Balance available to fund strategic economic development projects

- **Reduction** in Commercial Solid Waste Rates - approx. 7.75%

Public Hearing

Public comment on City Council Approval of the Non-Ad Valorem Assessment Roll and the Fire Protections Final Assessment Resolution for FY2019

Requested action: Approve the Final Assessment Resolution No. 2018-071 and the Non-Ad Valorem Assessment Roll for the Fire Protection Assessment for FY2019


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TRIM (Truth in Millage) Process

Step 1

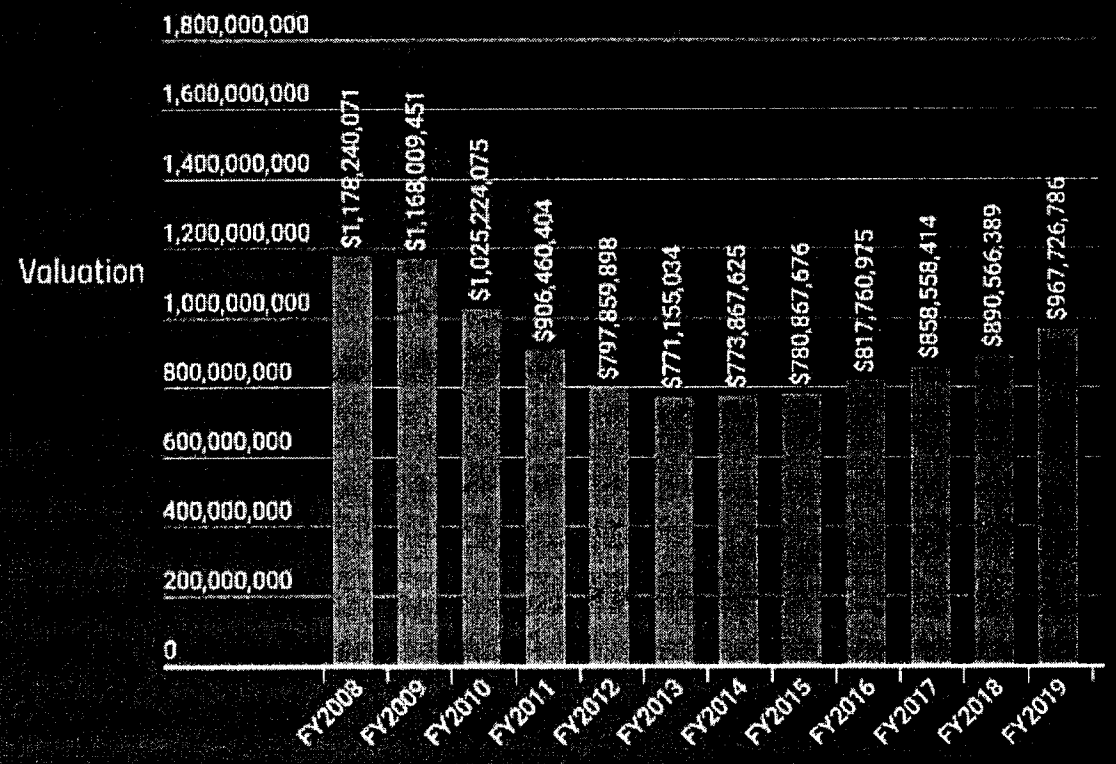
- Adopt the FY2019 City of Cocoa Tentative Millage Rate

  Note: The tentative millage rate cannot exceed the millage rate of 5.9790 approved by City Council on July 24, 2018.

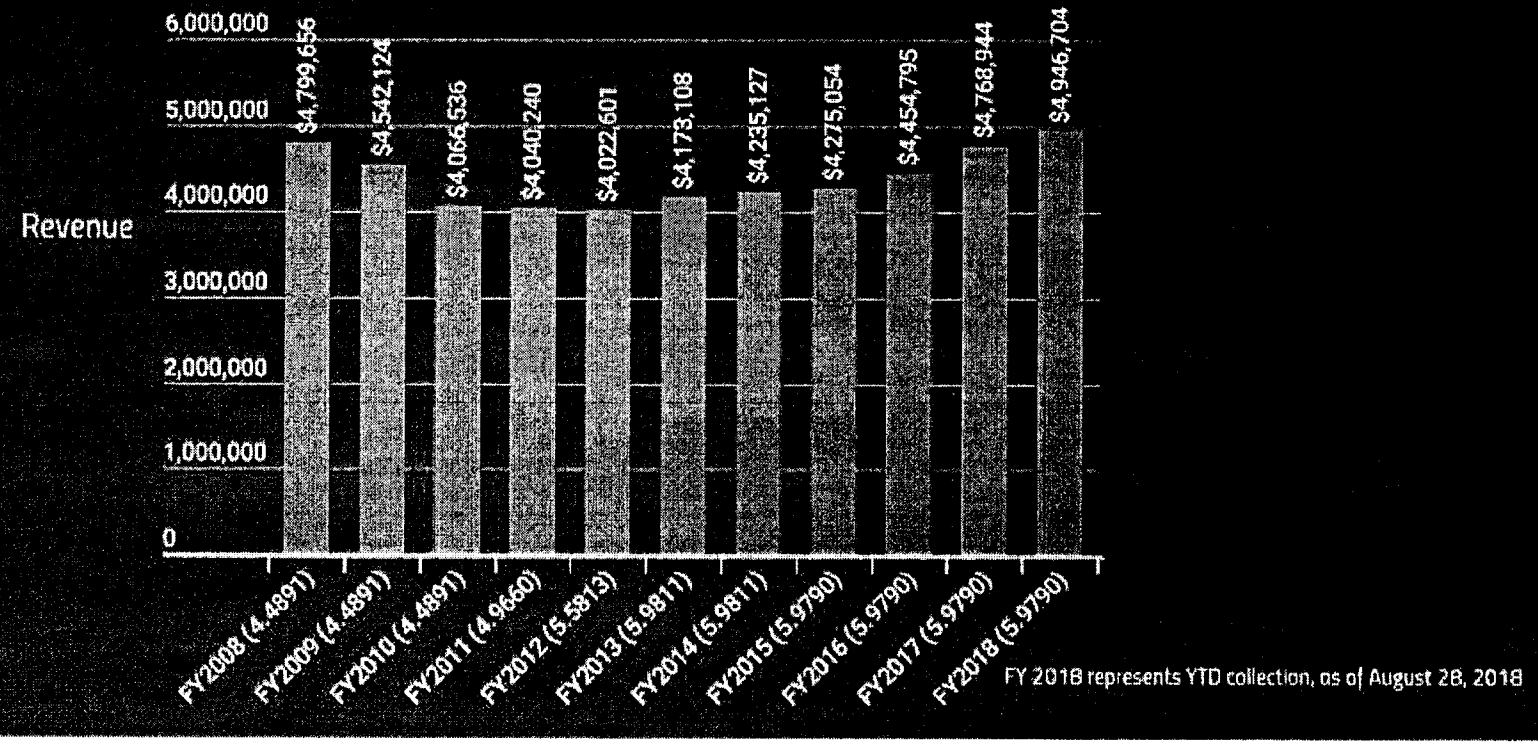
Step 2

- Adopt the FY2019 City of Cocoa Tentative Budget

Historical Review - Ad Valorem Tax Base



Historical Review - Ad Valorem Revenue History



FY2019 TRIM Rate Options

	Valuation	Rate	Gross Tax Revenue	Tax Revenue @ 95%	FY2018 - FY2019 Revenue Variance
FY2018 *Adopted Rate	**$888,479,522**	**5.9790**	**$5,312,219**	**$5,046,608**	
FY 2019 Millage Options					
Current Rate-Proposed	$967,726,786	5.9790	$5,786,038	$5,496,736	$450,128
Rolled-back Rate	$967,726,786	5.7902	$5,603,331	$5,323,164	$276,556

Proposed Rate

What does this mean to the single family property owner?

	Valuation	FY 2018 5.9790	*Valuation With 2.1% Increase	FY 2019 5.9790	Increase
Single Family Residence	$100,000		$102,100		
Less: Homestead	($50,000)		($50,000)		
= Taxable Value	$50,000	$299	$52,100	$312	$13
Single Family Residence	$150,000		$152,100		
Less: Homestead	($50,000)		($50,000)		
= Taxable Value	$100,000	$598	$102,100	$611	$13
Single Family Residence	$200,000		$202,100		
Less: Homestead	($50,000)		($50,000)		
= Taxable Value	$150,000	$897	$152,100	$910	$13
Single Family Residence	$300,000		$306,300		
Less: Homestead	($50,000)		($50,000)		
= Taxable Value	$250,000	$1,495	$256,300	$1,533	$38

*The Save Our Homes, as provided in Section 193.155(1), F.S. limits the annual increase in homestead exempt properties assessments to either 3% or the CPI change, whichever is less. For 2018 the CPI cap is 2.1%, even though the City overall has a 8.6% increase in value.

	Valuation	FY 2018 5.9790	*Valuation With 2.1% Increase	FY 2019 5.9790	Increase
Single Family Residence	$100,000		$102,100		
Less: Homestead	($50,000)		($50,000)		
= Taxable Value	$50,000	$299	$52,100	$312	$13
Single Family Residence	$150,000		$152,100		
Less: Homestead	($50,000)		($50,000)		
= Taxable Value	$100,000	$598	$102,100	$611	$13
Single Family Residence	$200,000		$202,100		
Less: Homestead	($50,000)		($50,000)		
= Taxable Value	$150,000	$897	$152,100	$910	$13
Single Family Residence	$300,000		$306,300		
Less: Homestead	($50,000)		($50,000)		
= Taxable Value	$250,000	$1,495	$256,300	$1,533	$38

FY2019 Comparative City Rates

Ranking	City	Current	Rolled-back	Proposed
1	Satellite Beach	8.1518	7.5966	8.8212
2	Palm Bay	8.4500	7.7932	8.4500
3	Titusville	7.7900	7.2822	7.7900
4	Melbourne	7.1878	6.7370	7.1878
5	Rockledge	6.2000	5.8748	6.1500
6	Indialantic	6.2653	5.8930	6.0698
7	Cocoa	5.9790	5.7902	5.9790
8	Cocoa Beach	5.7298	5.3637	5.7298
9	Cape Canaveral	4.0190	3.8587	3.8500
10	West Melbourne	2.4633	2.3260	2.6017

*Note: Ranking is established using the Proposed Rate. (Data is updated as it becomes available)

Public Announcement

- The City of Cocoa is the taxing authority
- The rolled-back rate is 5.7902
- The rolled-back rate is a 0% increase
- The millage rate to be levied is 5.9790
- The millage rate of 5.9790 is a tax increase of 3.26% as a percent change of the rolled- back rate

City Council Questions/Comments

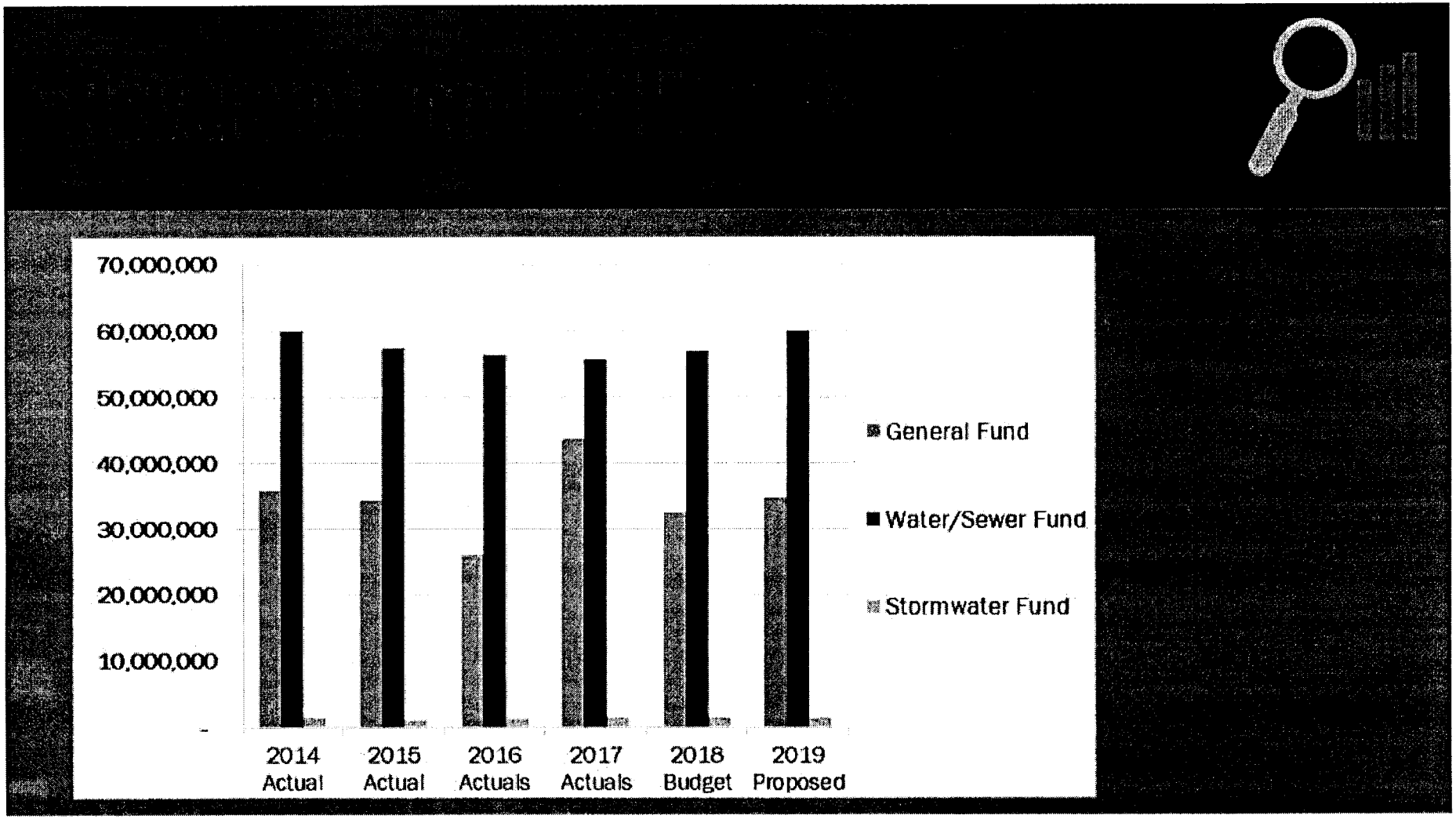


Public Hearing

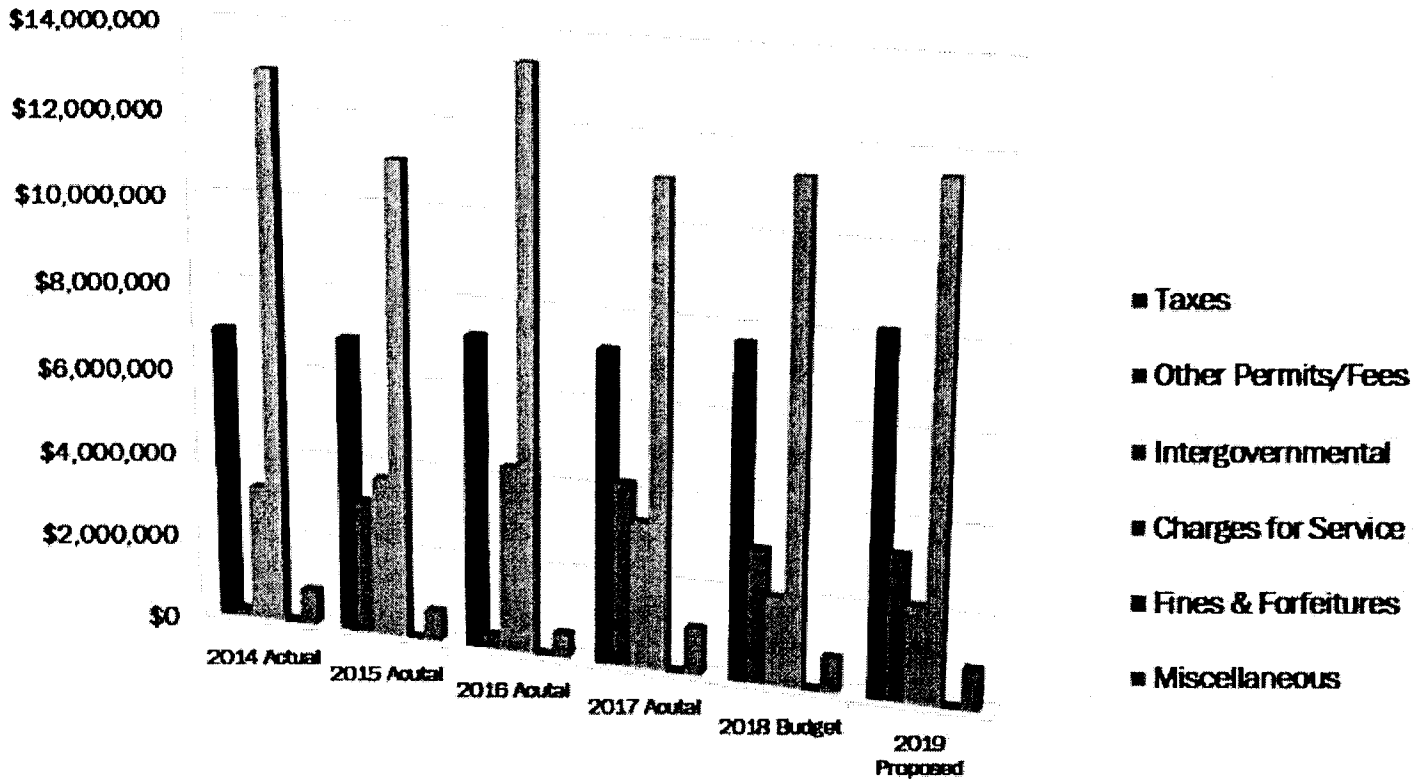
Public comment on Tentatively Adopting Proposed Millage Rate

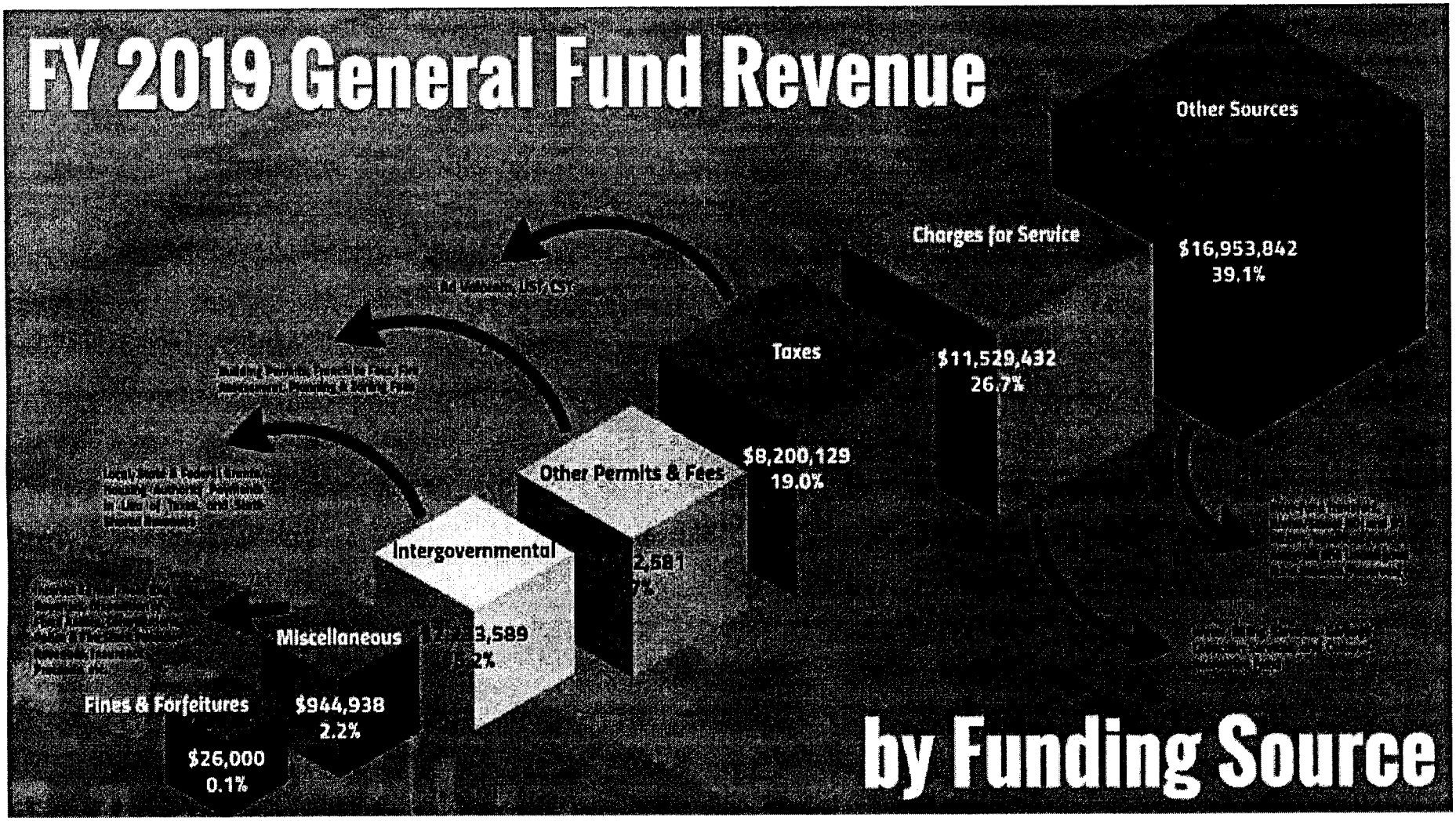
Requested action: Approve Resolution No. 2018-069 tentatively adopting a proposed millage rate of 5.9790 for the City of Cocoa for the Fiscal Year commencing on October 1, 2018 and ending on September 30, 2019.

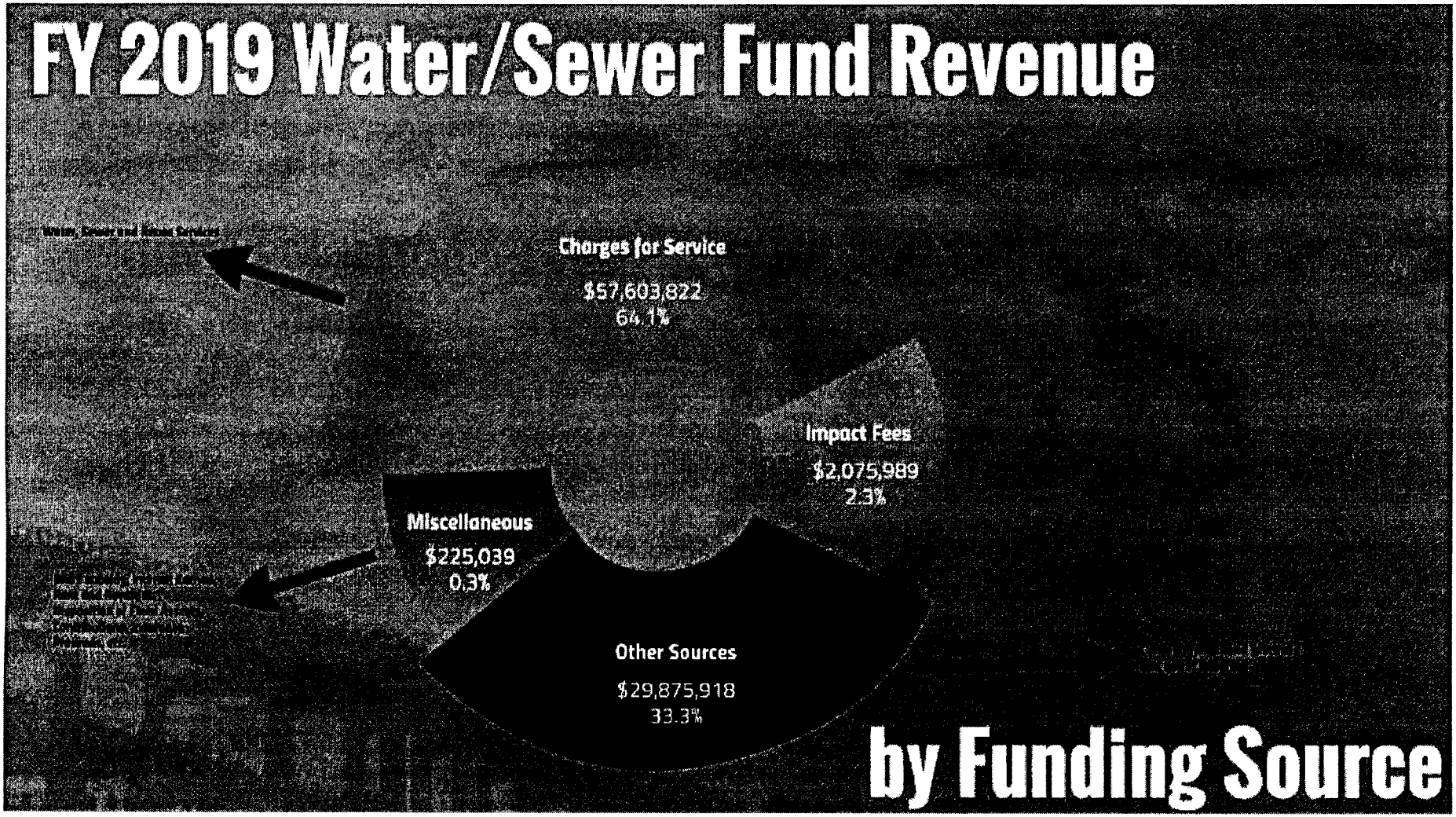

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PAL


70,000,000
60,000,000
50,000,000
40,000,000
30,000,000
20,000,000
10,000,000
-
2014 Actual
2015 Actual
2016 Actuals
2017 Actuals
2018 Budget
2019 Proposed
General Fund
Water/Sewer Fund
Stormwater Fund

General Fund Revenues

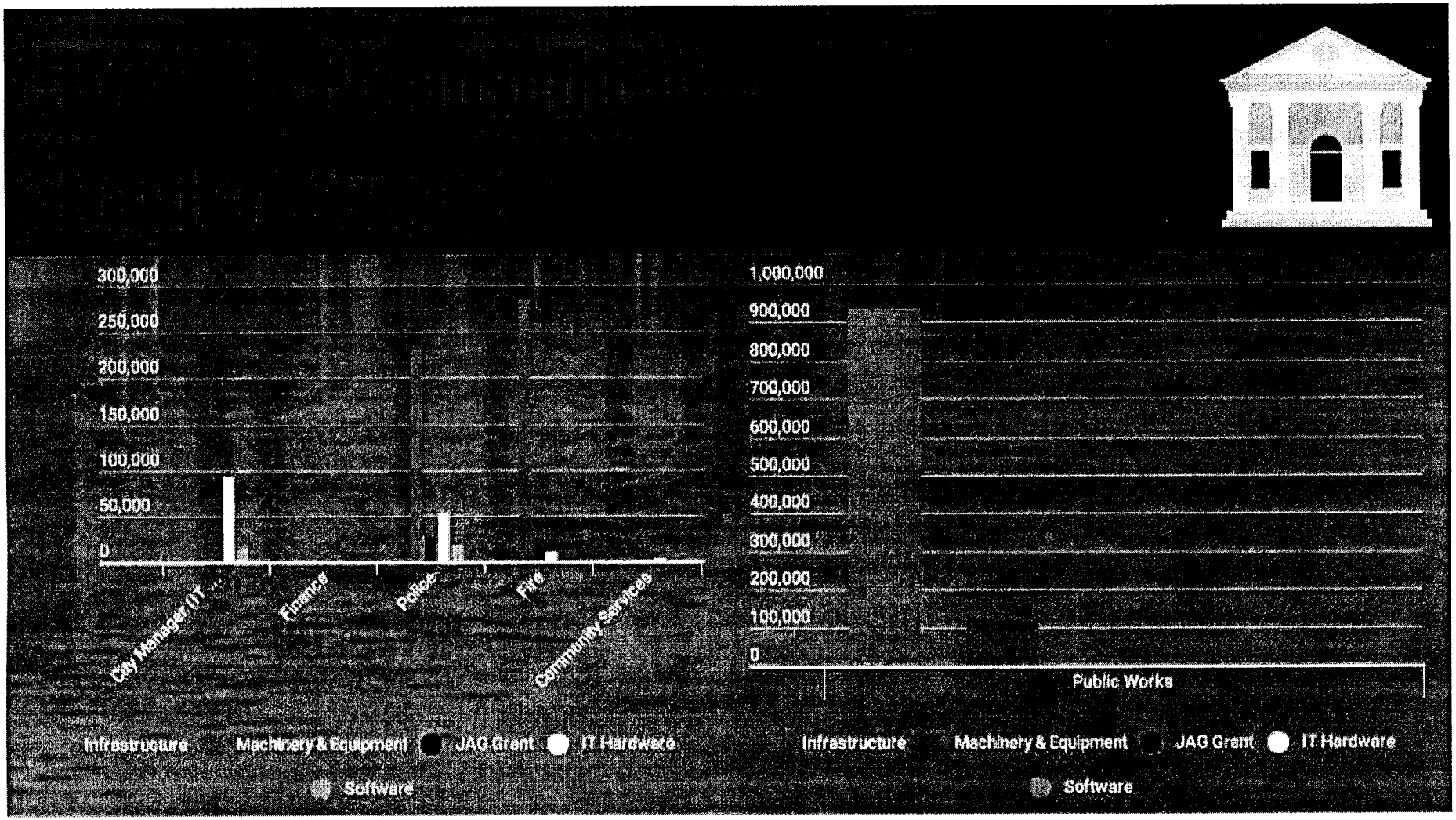


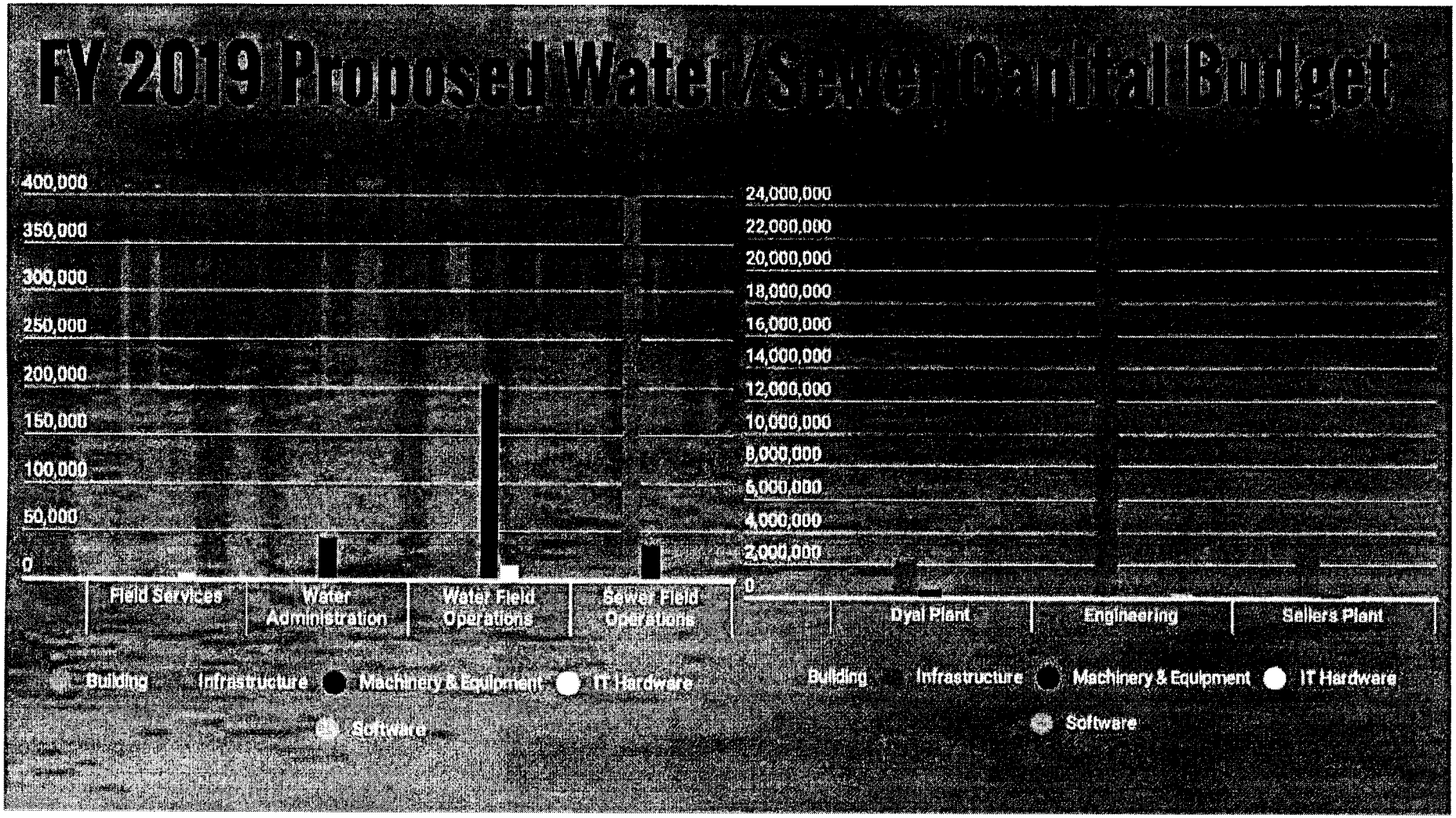

FY 2019 General Fund Revenue
Other Sources
$16,953,842
39.1%
Charges for Service
Taxes
$11,529,432
26.7%
$8,200,129
19.0%
Other Permits & Fees
Intergovernmental
Miscellaneous
$944,938
2.2%
Fines & Forfeitures
$26,000
0.1%
by Funding Source


FY 2019 Water/Sewer Fund Revenue
Charges for Service
$57,603,822
64.1%
Impact Fees
$2,075,989
2.3%
Miscellaneous
$225,039
0.3%
Other Sources
$29,875,918
33.3%
by Funding Source


FY 2019 Stormwater Fund Revenue
Other Sources
by Funding Source

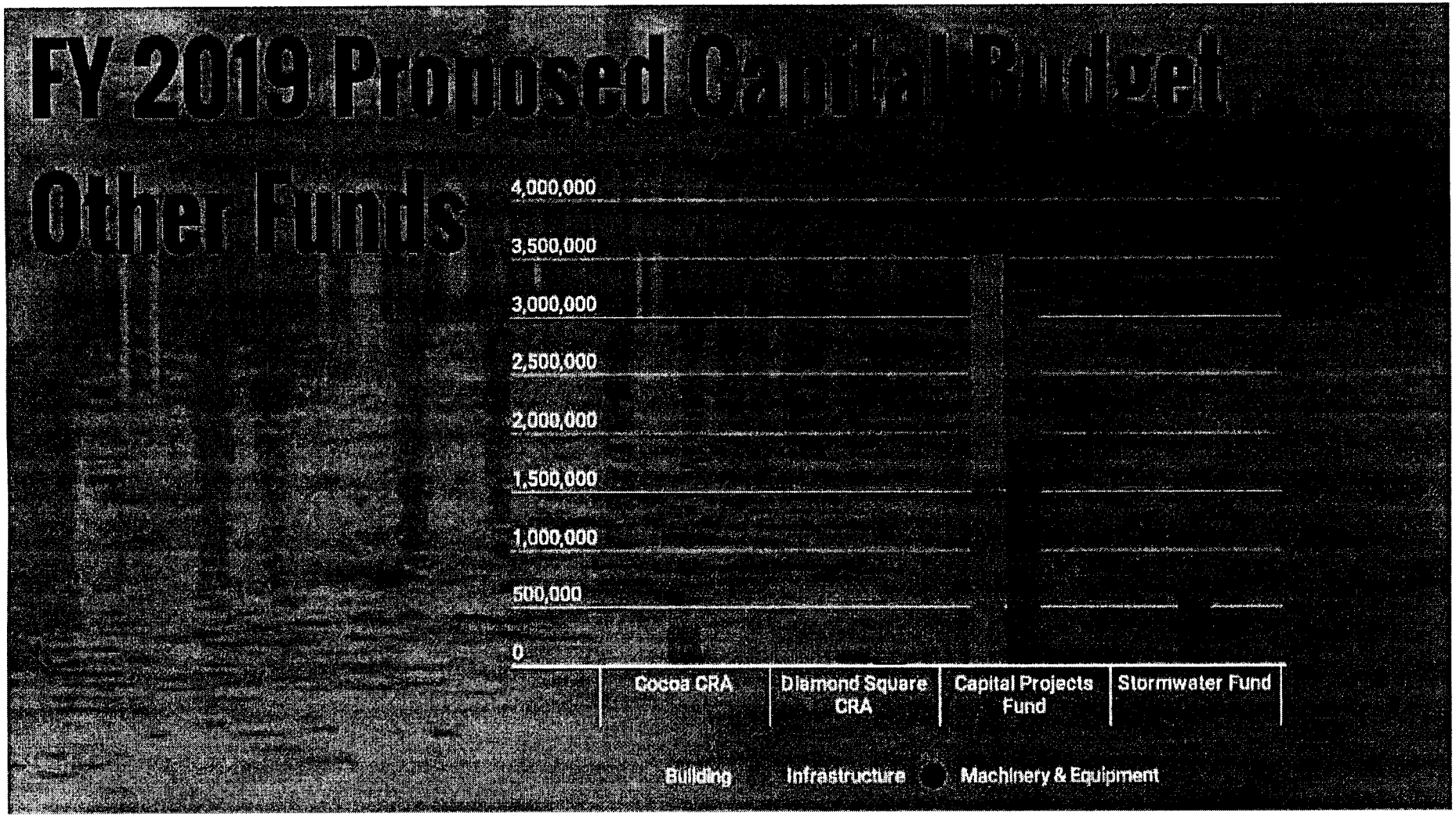

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300,000
250,000
200,000
150,000
100,000
50,000
0
City Manager (IT ...
Finance
Police
Fire
Community Services
Infrastructure
Machinery & Equipment
JAG Grant
IT Hardware
Software
1,000,000
900,000
800,000
700,000
600,000
500,000
400,000
300,000
200,000
100,000
0
Public Works
Infrastructure
Machinery & Equipment
JAG Grant
IT Hardware
Software

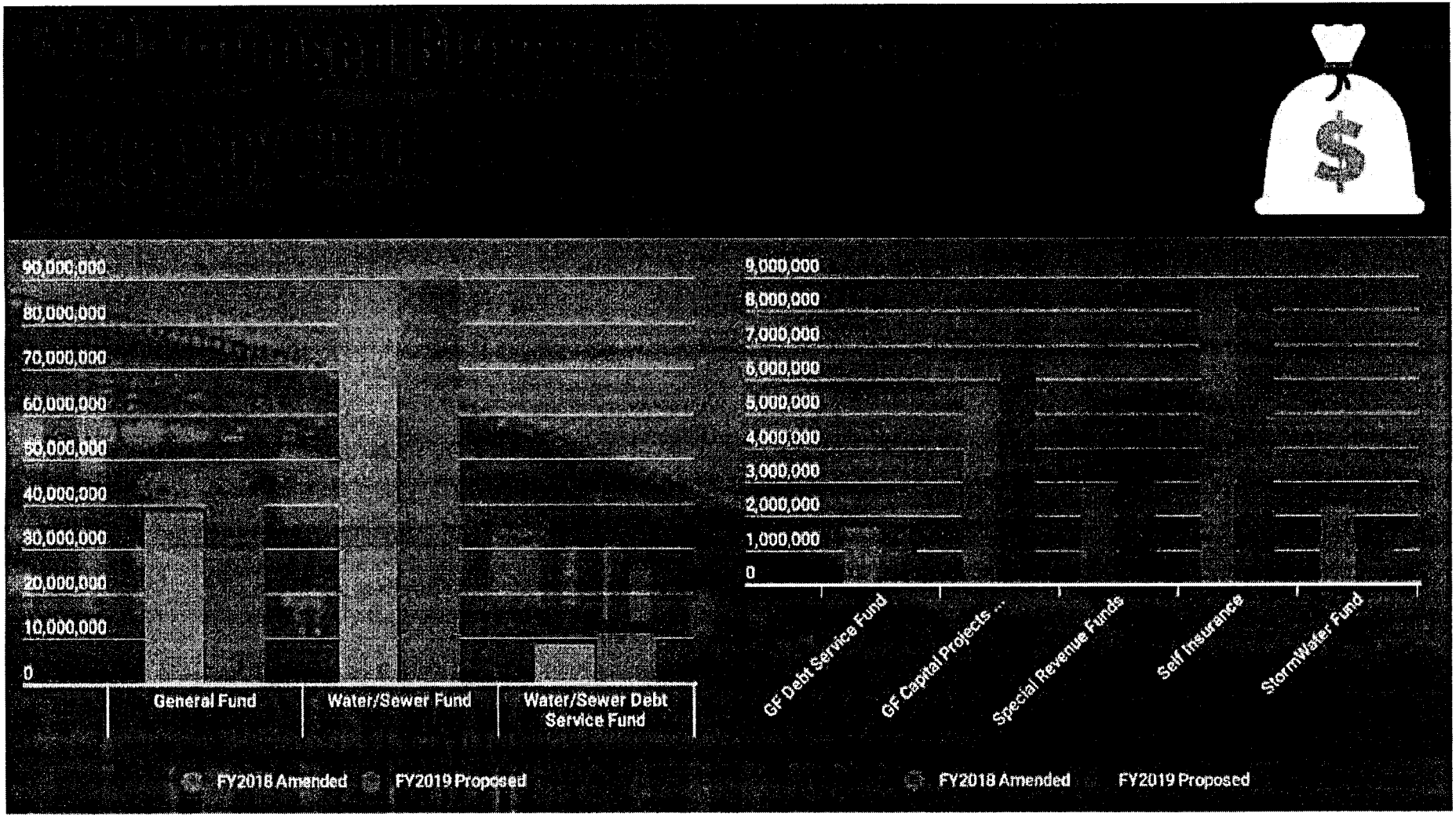

FY 2019 Proposed Water/Sewer Capital Budget
400,000
350,000
300,000
250,000
200,000
150,000
100,000
50,000
0
Field Services
Water Administration
Water Field Operations
Sewer Field Operations
Building
Infrastructure
Machinery & Equipment
IT Hardware
Software
24,000,000
22,000,000
20,000,000
18,000,000
16,000,000
14,000,000
12,000,000
10,000,000
8,000,000
6,000,000
4,000,000
2,000,000
0
Dyal Plant
Engineering
Sellers Plant
Building
Infrastructure
Machinery & Equipment
IT Hardware
Software

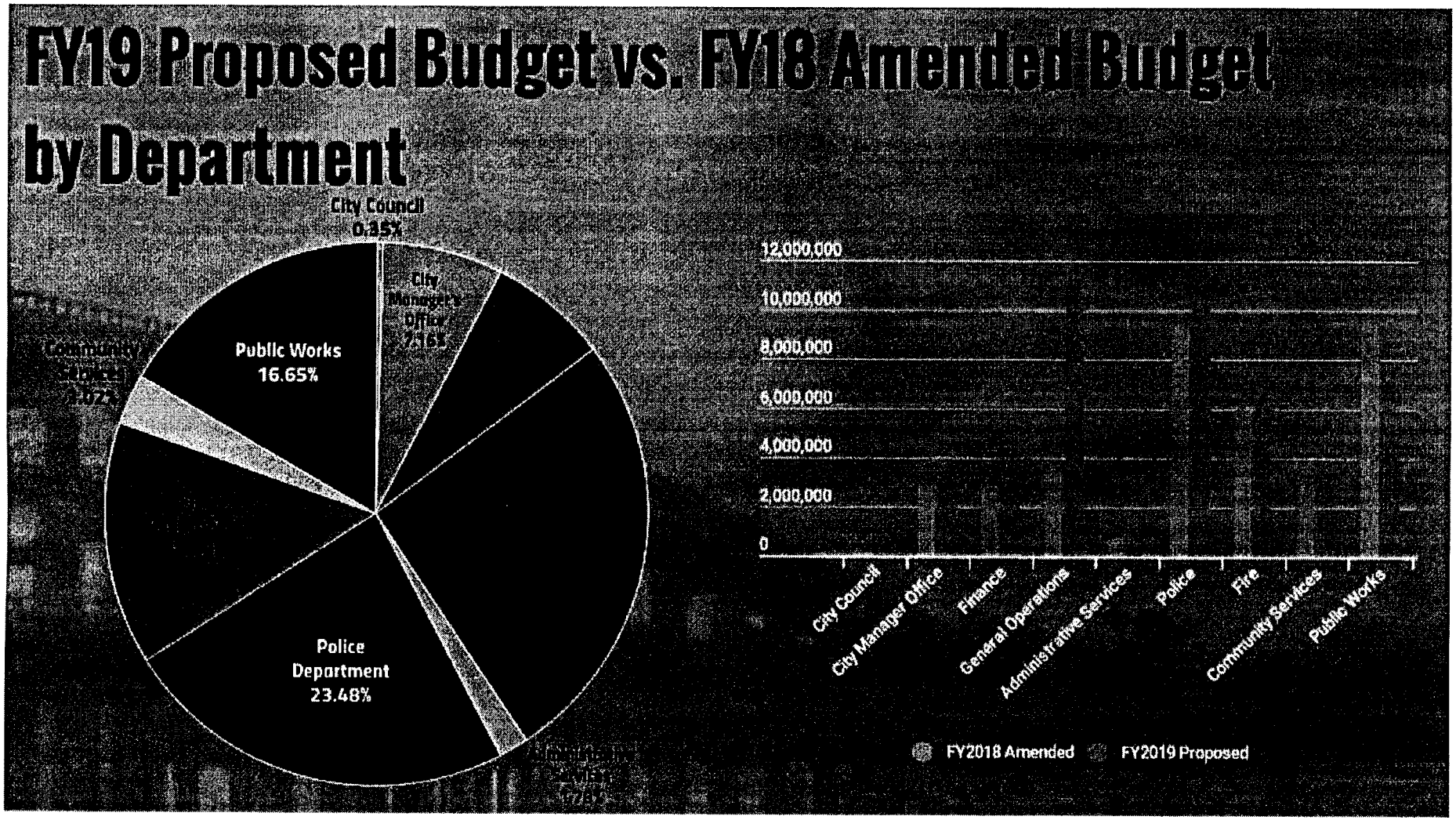
FY 2019 Proposed Capital Budget

Other Funds

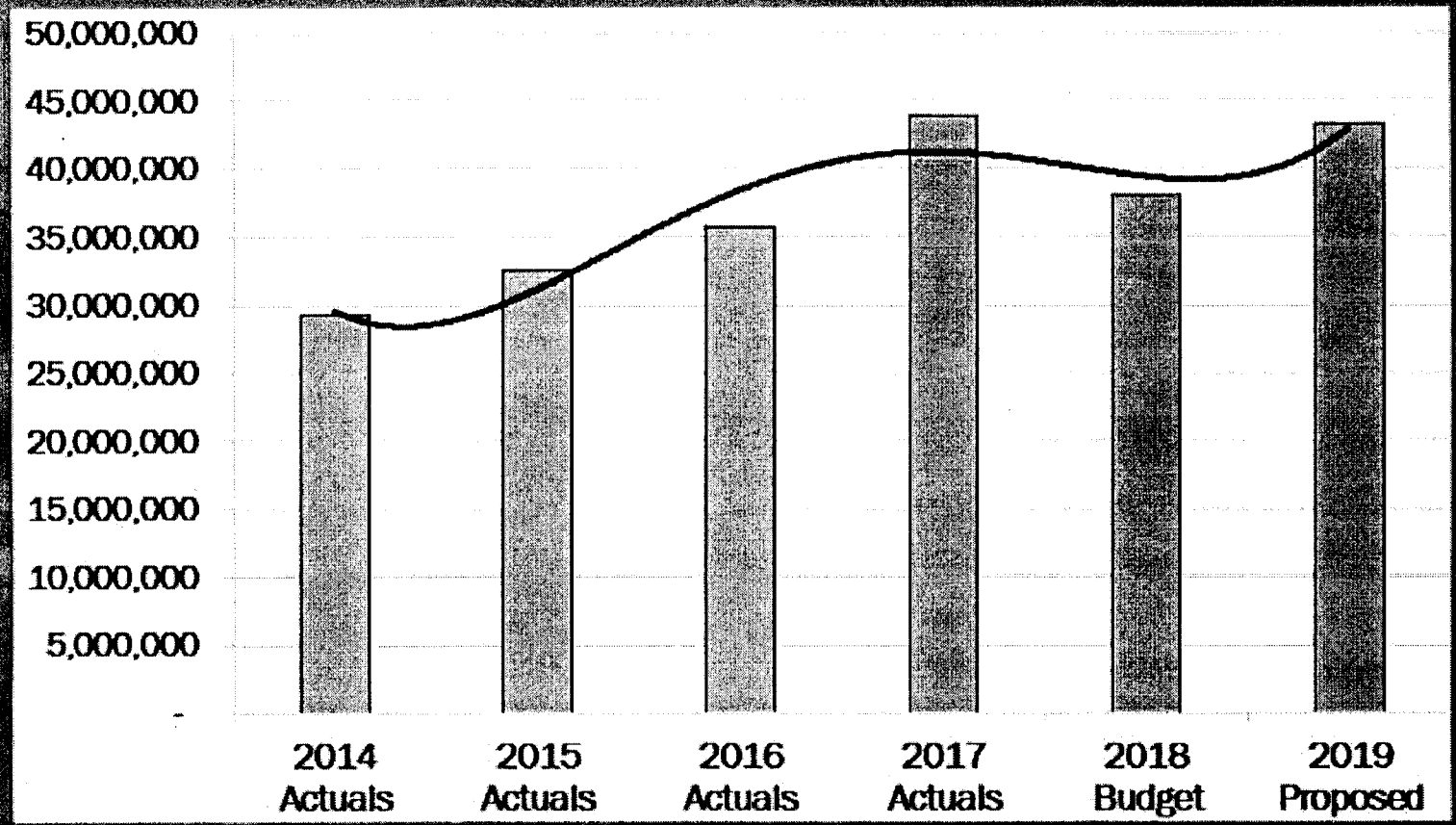


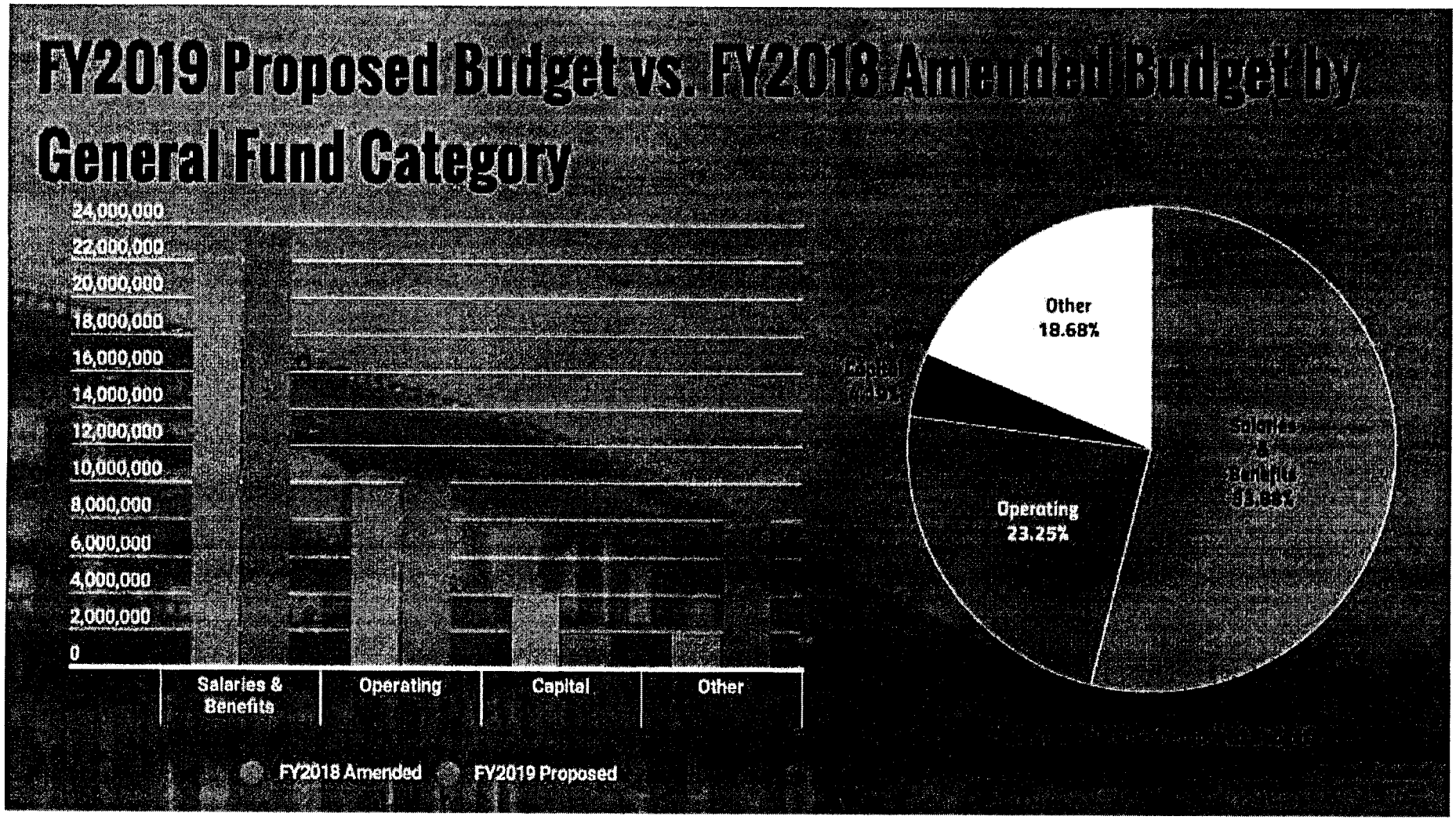

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90,000,000
80,000,000
70,000,000
60,000,000
50,000,000
40,000,000
30,000,000
20,000,000
10,000,000
0
General Fund
Water/Sewer Fund
Water/Sewer Debt Service Fund
FY2018 Amended
FY2019 Proposed
9,000,000
8,000,000
7,000,000
6,000,000
5,000,000
4,000,000
3,000,000
2,000,000
1,000,000
0
GF Debt Service Fund
GF Capital Projects ...
Special Revenue Funds
Self Insurance
StormWater Fund
FY2018 Amended
FY2019 Proposed

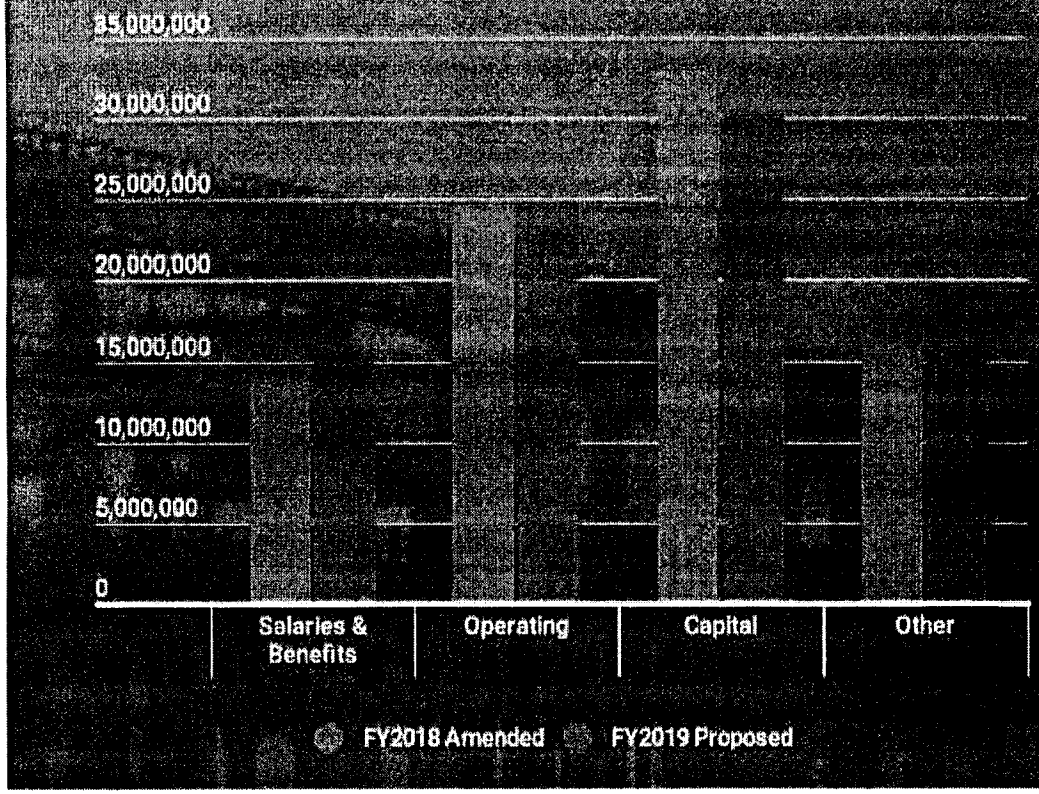

FY19 Proposed Budget vs. FY18 Amended Budget by Department
City Council 0.35%
City Manager's Office 7.16%
Public Works 16.65%
Police Department 23.48%
12,000,000
10,000,000
8,000,000
6,000,000
4,000,000
2,000,000
0
City Council
City Manager Office
Finance
General Operations
Administrative Services
Police
Fire
Community Services
Public Works
FY2018 Amended
FY2019 Proposed

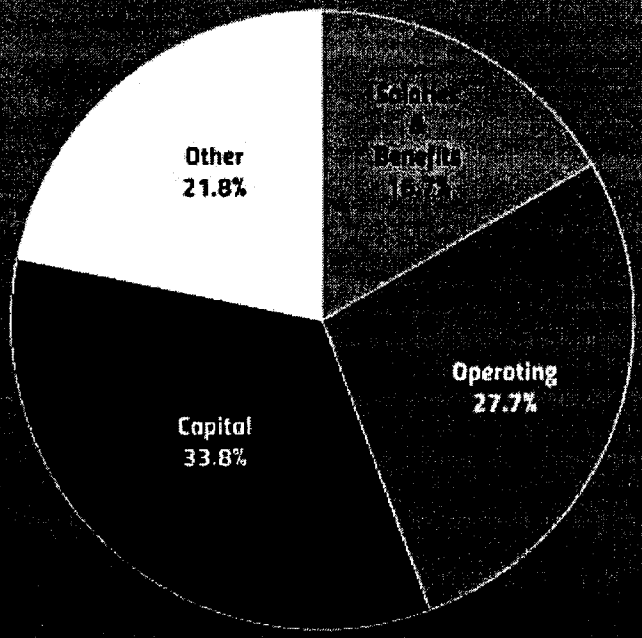
General Fund Expenditure Trends

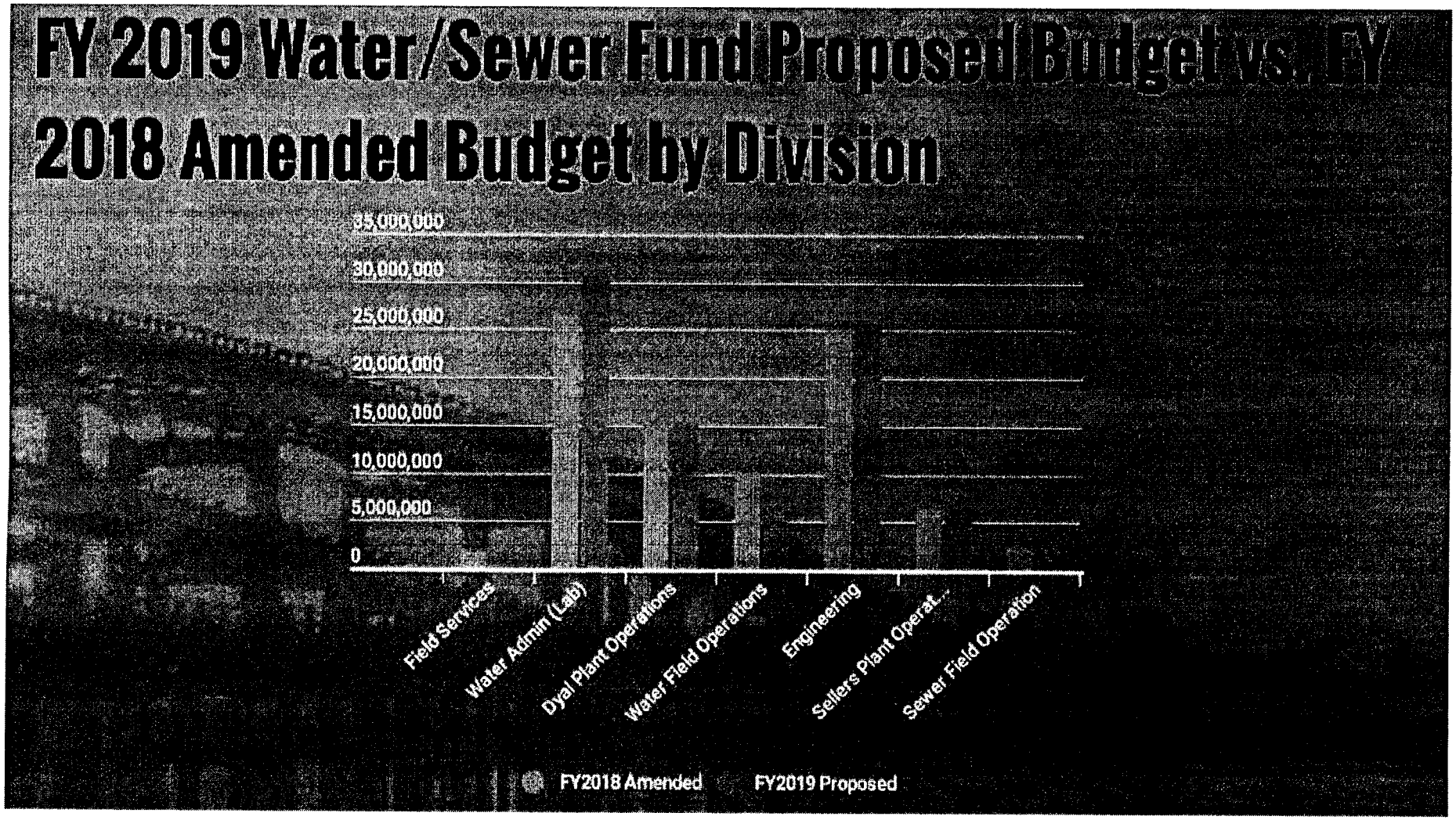



FY2019 Proposed Budget vs. FY2018 Amended Budget by General Fund Category
24,000,000
22,000,000
20,000,000
18,000,000
16,000,000
14,000,000
12,000,000
10,000,000
8,000,000
6,000,000
4,000,000
2,000,000
0
Salaries & Benefits
Operating
Capital
Other
FY2018 Amended
FY2019 Proposed
Other 18.68%
Operating 23.25%

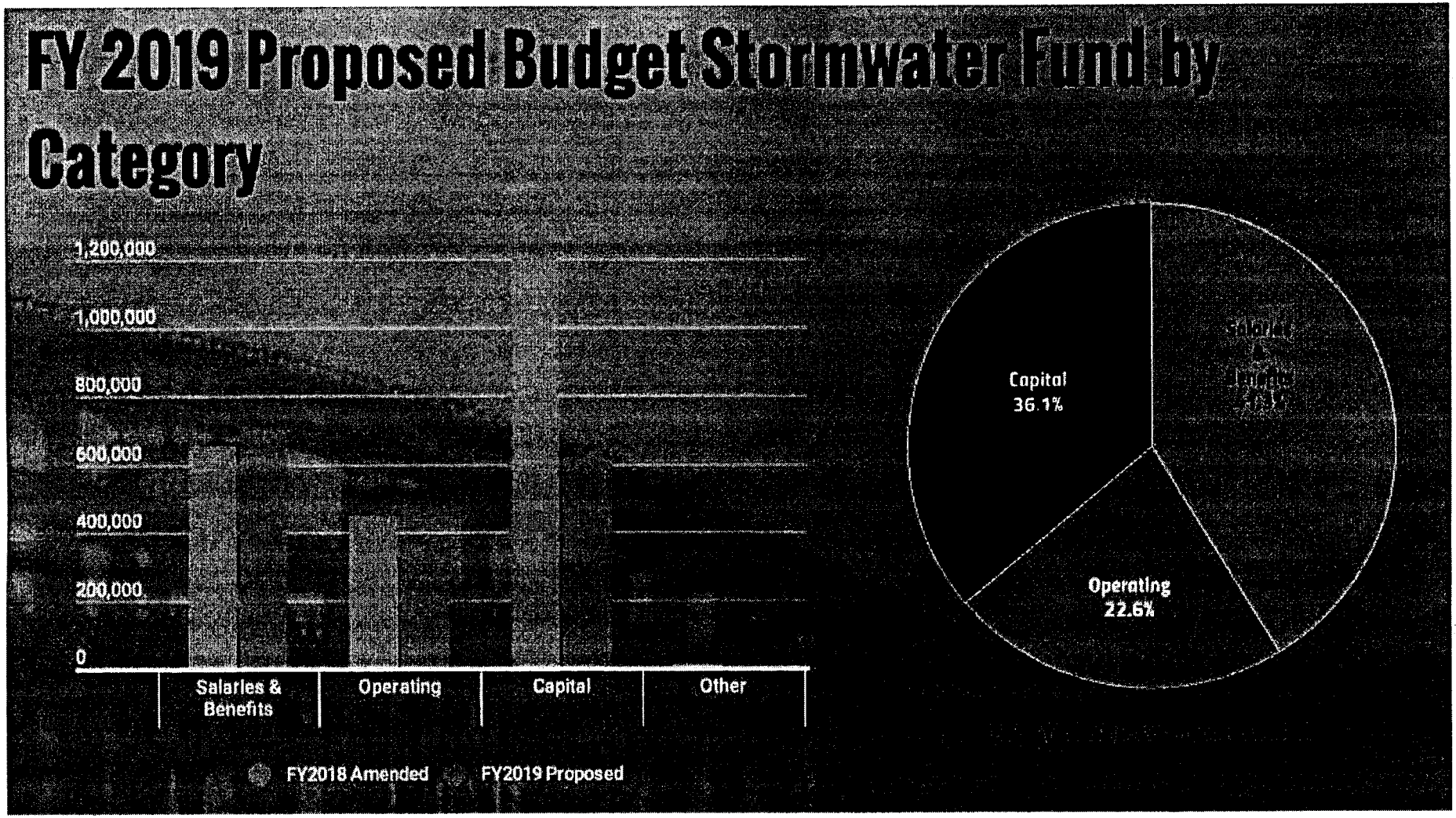
FY 2019 Water/Sewer Fund Proposed Budget vs. FY 2018 Amended Budget by Category






FY 2019 Water/Sewer Fund Proposed Budget vs. FY 2018 Amended Budget by Division
35,000,000
30,000,000
25,000,000
20,000,000
15,000,000
10,000,000
5,000,000
0
Field Services
Water Admin (Lab)
Dyal Plant Operations
Water Field Operations
Engineering
Sellers Plant Operat...
Sewer Field Operation
FY2018 Amended
FY2019 Proposed

FY 2019 Proposed Budget Stormwater Fund by Category



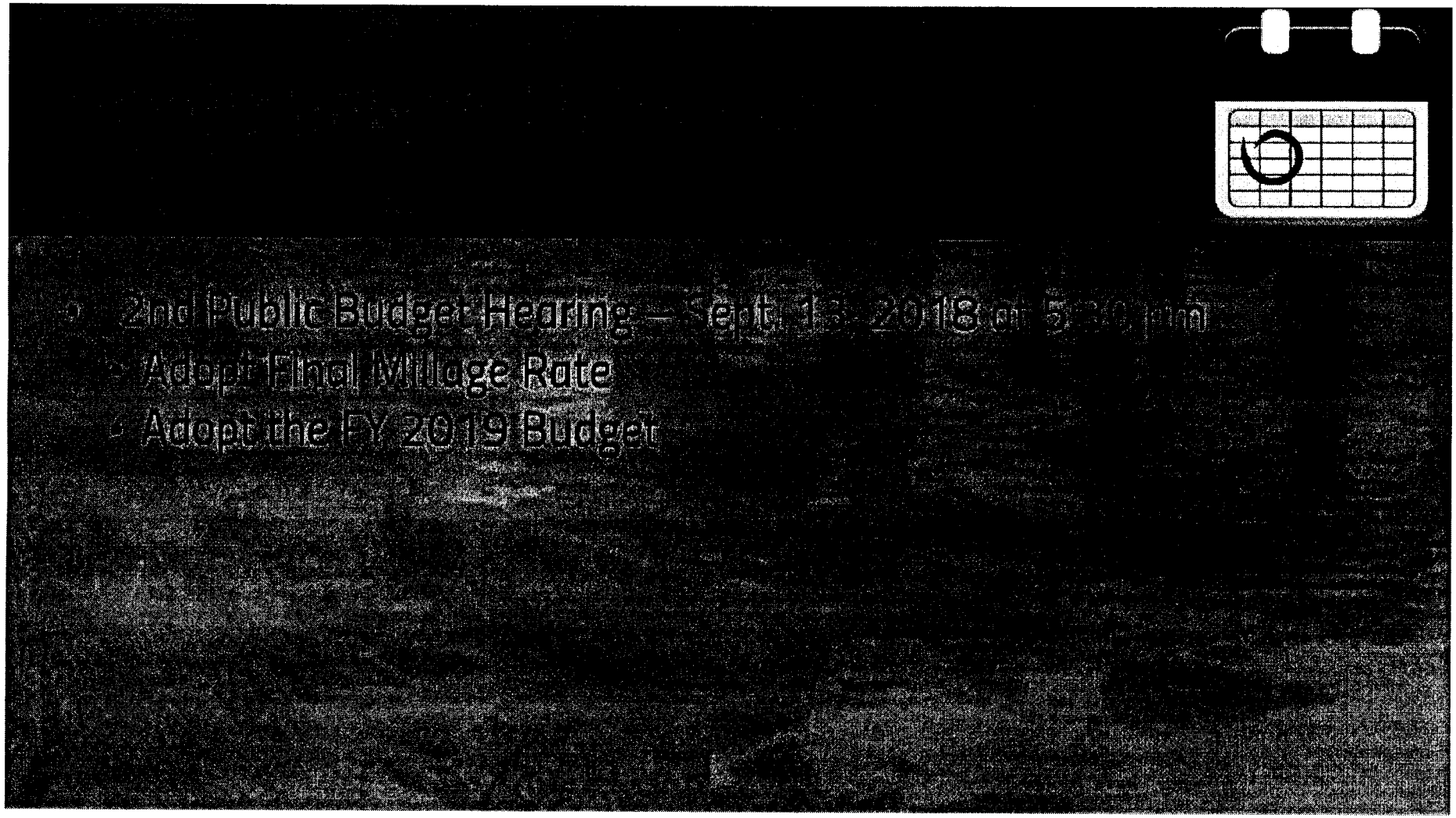

TRIM PROCESS
GENERAL FUND
BUDGET HEARING
FISCAL YEAR 2019
September 5, 2018
CAPITAL PROJECTS, PROGRAMS AND EQUIPMENT
AGENDA
QUESTIONS & DISCUSSION
#TIGERPRIDE


QUESTIONS & DISCUSSION

Public comment on 1st Public Hearing for FY2019 Tentative Budget and CIP

Requested action: Approve Resolution No. 2018-070 tentatively adopting a budget and CIP for the City of Cocoa for the Fiscal Year commencing on October 1, 2018 and ending on September 30, 2019.


TRIM PROCESS
GENERAL FUND
CAPITAL PROJECTS, PROGRAMS AND EQUIPMENT
BUDGET HEARING
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QUESTIONS & DISCUSSION
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2nd Public Budget Hearing – Sept 13, 2018 at 5:30 pm
Adopt Final Millage Rate
Adopt the FY 2019 Budget


TRIM PROCESS
GENERAL FUND
CAPITAL PROJECTS, PROGRAMS AND EQUIPMENT
BUDGET HEARING
AGENDA
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FISCAL YEAR 2019
September 5, 2018
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