MINUTES
(Amended)

City of Cocoa
FY 2022 Budget Priorities Workshop

April 16, 2021

A City Council Workshop was held on Friday, April 16, 2021, in Cocoa City Hall, in City Council Chambers, located at 65 Stone Street, in Cocoa, Florida, 32922, as publicly noticed.

I. Opening Matters:

Mayor Blake called the Workshop to order at 3:19 p.m.

Chief Lamm provided the invocation and Interim Chief Hankins led the assembly in the Pledge of Allegiance to the Flag of the United States of America.

The City Clerk took the roll.

PRESENT:	Michael C. Blake	Mayor
	James Goins	Deputy Mayor
	Rip Dyal	Councilmember
	Lavander Hearn	Councilmember (attended via phone)
	Lorraine Koss	Councilmember
	Anthony Garganese	City Attorney
	Stockton Whitten	City Manager
	Carie Shealy	City Clerk

OTHER STAFF MEMBERS PRESENT:

Matthew Fuhrer, Assistant City Manager; Tammy Gemmati, Administrative Services Director; Jack Walsh, Utilities Director; John Hankins, Interim Chief of Police; Jonathan Lamm, Fire Chief; Bryant Smith, Public Works Director; Rebecca Bowman, Finance Director; Nancy Bunt, Community Services Director; Lora Howell, Deputy Finance Director; Mitch Lawyer, Technical Services Supervisor; and Samantha Senger, Assistant to the City Manager/PR Specialist.

II. Workshop Topics:

City Manager Whitten advised that this workshop kicks off the budget workshops so that staff can get Council's priorities for FY 2022 budget.

He reviewed the agenda for today's workshop and advised that another workshop would be held on Monday, April 19th.

City Manager Whitten provided a brief overview of the meeting and noted that some of this would be familiar to them, however, there is about $8.8 million in fund balance and he was suggesting that this be allocated out this fiscal year. He mentioned the stabilization reserve and unassigned fund balance as well.

Ms. Bowman provided a presentation[1] and provided a review of the FY 2021 budget. She explained in detail how each fund works and the differences between all of the funds.

The topic of revenue was discussed and Ms. Bowman explained how revenues were dissected in order to determine how the monies are spent. She further explained the use of fund balance, interfund transfers and other charges for services and how they all result in operating revenue.

Discussion was held on the costs of building permit fees and City Manager Whitten advised that currently, the tax payers are subsidizing the cost of building permit fees. He asked Council if they wished to continue subsidizing those costs or should the contractor/applicant support the full costs.

City Manager Whitten explained that if the building department can pay for itself by collecting those monies, there would be $326,846 that could be used for other priorities.

Additionally, Ms. Bowman pointed out that last year there was moderate building activity and the costs of the permit should cover the permit, inspections, etc. However, when you are in a year without a lot of activity, the number is much larger.

Ms. Bunt added that Cocoa was the lowest in Brevard County as far as fees for development are concerned as it is based on construction value.

Mayor Blake feels these costs should be passed onto the contractors and we should be competitive in Brevard County. He believes that the less we take from

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1 Exhibit A: FY 2022 Budget Priorities Workshop Presentation

the general fund the better. He would like to increase the building and developers' fees.

Mayor Blake further pointed out that there are a lot of things happening right now in Cocoa in regards to commercial development such as Amazon, the Walmart expansion, Brightline, etc.

Ms. Bowman reviewed new money coming in FY 2022 and noted that both changes in costs and revenue are looked at yearly in order to determine how we budget.

An overview of the FY 2022 budget was reviewed as well as expected increases in expenses such as payroll, insurance, and new positions.

Mayor Blake asked if Amazon would be on the tax rolls this year and it was pointed out that it would be 2023. He asked what Walmart pays in taxes as well.

Mayor Blake asked about the American Rescue Funding and Ms. Bowman explained that this funding would be a one-time shot at using it.

Councilmember Koss asked about plans and where they fall in the budget. In response to her question, City Manager Whitten explained that the strategic plan, redistricting, etc. as well as parks, should all be done in the consideration of priorities.

Mayor Blake asked if direction needed to be taken at this workshop or would it be done at the upcoming workshops on April 19th and 26th.

Deputy Mayor Goins requested emails or handouts with the explanation of buildings, street improvements, etc. so they know what staff is referencing.

He requested that Workforce Housing Down Payment Assistance be added to priorities.

Councilmember Koss suggested that each councilmember submit their list of priorities with timelines. City Manager Whitten agreed that could be done but they would ultimately be brought back to Council to be voted on.

City Manager Whitten spoke in regards to the thirty-three lots and that he wants something done with these lots.

Councilmember Dyal mentioned minimum wage and salary increases. He stated that the costs of goods will also increase and if all of this would be built into the budget. In response, City Manager Whitten advised there would always be an

increase in businesses. Those increases do not all have to be in the next fiscal year so they can be done incrementally.

Mayor Blake felt the term is safety. We want a safe environment for people to want to come here, bring businesses here, and to stay here. We need to keep tax dollars local and generate additional tax dollars.

Councilmember Koss shared that the governor passed money for resilient infrastructure funding so there is significant monies now available. There are things the City would be eligible for if we went for them.

City Manager Whitten stated that we would need shovel ready projects for those grants, so we would be spending a little money to qualify for them.

Councilmember Koss asked if there were any shovel ready/design ready projects. She stressed the importance to target and leverage these types of things.

Ms. Bowman noted that the Walmart tax bill was $1.2 million and $359,000 comes to our general fund. This is in net of the tax abatement.

Councilmember Hearn felt that safety and quality of life was important and he would like to add sidewalks to his district and believes that issue needed to be looked into.

City Manager Whitten explained how the fund balance works and how it funds both operating and capital. He pointed out that there is a fair amount of savings so some projects can be done.

Ms. Bowman explained fund balance and explained that this is made up of: non-spendable, restricted, committed, assigned and unassigned funds.

The Fund Balance Policy was explained and Ms. Bowman advised that this was like a savings account that you do not want to touch.

City Manager Whitten discussed the stabilization reserve, which includes $11.8 million for critical operations for city government and they are asking council what they would like done with the $8.8 assigned fund balance.

He further mentioned that he would be meeting with Brightline next week and was going to let them know that they want a station in Cocoa, however, he knows that it would take some incentivizing.

City Manager Whitten reviewed a list of issues that he asked for council direction on in regards to the use of the monies at this time.

* **MOTION by Mayor Blake; Seconded by Councilmember Hearn, to approve the immediate start of building and equipment: Police HQ Building Improvements, Fuel Tank Replacement, and Fire Pumper Truck.**

AYES: Blake, Goins, Dyal, Hearn, Koss

THE MOTION CARRIED UNANIMOUSLY (5-0)

Mr. Smith spoke in regards to the fuel tank replacement and advised that this would bring the City up to date with all new equipment.

Chief Lamm reported that the pumper truck was over twenty years old and that parts were hard to get as well, so this would replace that truck.

A discussion was held on park improvements and Mr. Smith stated that when it comes to parks they want to have a common theme so people would know they were in a Cocoa park. This would include new or replacement of all things in Cocoa parks. The Parks Master Plan was discussed as well and it was pointed out that there was not much mentioned in that plan that was not included in these park improvements.

City Manager Whitten stated that the Parks Master Plan would be presented prior tothe April 26th Workshop and he provided an explanation on how the $8.8 million was distributed.

Ms. Bowman spoke about the software upgrades and mentioned that the City's current software was over thirty years old. There are specific challenges associated with this older software. These upgrades will take years to implement but the monies need to be set aside now and it needs to be worked towards getting this done.

* **MOTION by Mayor Blake; Seconded by Councilmember Dyal, to approve the Village parking, donations, roads and sidewalks and software upgrades.**

AYES: Blake, Goins, Dyal, Hearn, Koss

THE MOTION CARRIED UNANIMOUSLY (5-0)

The issue of housing was discussed and Ms. Bunt assured Council that this amount would get them through the first one or two builds. There are thirty-six lots and they are at the point with Diamond Square CRA where they will break even.

City Manager Whitten spoke in reference to Habitat for Humanity and that they have a more aesthetically pleasing product.

Mayor Blake asked the value of these as he feels we can attract a quality home in the $220,000-$225,000 value.

City Manager Whitten advised that the value of the home is largely determined by the loan and the bank appraisal of the land and home. That desire to be in that price range would largely depend on the banks' appraisal.

Mayor Blake remembers this area and lives in this area and stressed that he would fight for this adamantly.

Discussion was held on the process for these builds.

* **MOTION by Deputy Mayor Goins; Seconded by Councilmember Koss, to approve the Housing item in the amount of $350,000.**

AYES: Goins, Dyal, Hearn, Koss

THE MOTION CARRIED UNANIMOUSLY (4-0)[2]

Ms. Bowman explained that there was a $65,000 difference in budgeted amount and asked for a motion to allow staff to spend and budget for that amount.

* **MOTION by Mayor Blake; Seconded by Councilmember Koss, to allow staff to spend and budget for the $65,000 difference.**

AYES: Blake, Goins, Dyal, Hearn, Koss

THE MOTION CARRIED UNANIMOUSLY (5-0)

Mr. Smith explained the Sustainability and Resiliency initiatives which include the conversion of signs to solar and retrofit LED. There is a gap of about $500,000 which would provide with the replacement of low flow fixtures in restrooms and

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2 Mayor Blake left the meeting at 5:25 p.m. and returned at 5:30 p.m.

then they could have other monies for hybrid vehicles, LED lighting, and upgrading fixtures in parks.

Councilmember Koss spoke about sustainability and resiliency and stated it was more than solar. It is a pretty liberal area and you could even invest in homes in the Diamond Square area in terms of resiliency or do stormwater improvements to parks. She knows that we will have opportunities to leverage other projects.

~~After a question was posed regarding the $1 million budget for sustainability, City Manager Whitten explained how some numbers were changed in order to make the best use of the funds.~~

Councilperson Koss pointed out that the assigned fund for Sustainability/Resiliency Initiatives was reduced from $1M to $750K. Last year, she was told because of unknown finances due to the pandemic, funds were being held. Koss explained that the assigned funds were poised to leverage state and federal grants for sustainability and resiliency initiatives, such as the $100 M in resiliency grants announced by the Governor just hours before this meeting. All require matching funds[3].

City Manager Whitten advised that on Monday, April 19th the workshop would pick up with the American Rescue Act.

III. Adjournment:

* **MOTION by Councilmember Dyal; Seconded by Mayor Blake, to adjourn the City Council Workshop of April 16, 2021.**

AYES: Blake, Goins, Dyal, Hearn, Koss

THE MOTION CARRIED UNANIMOUSLY (5-0)

The meeting adjourned at 5:39 p.m.

CITY OF COCOA CORPORATE SEAL

Michael C. Blake, Mayor

[3] Minutes were amended by Councilmember Koss at the City Council Meeting held on May 25, 2021.



EXHIBIT A: FY 2022 Budget
Priorities Workshop Presentation

FY 2022
Budget Priorities Workshop
Stockton Whitten, City Manager
Rebecca Bowman, Finance Director

April 16, 2021

Agenda 4/16 & 4/19



- Invocation and Pledge of Allegiance
- FY2021 Budget Overview
- Allocation of Fund Balance
  - City Council Priorities and Direction
- FY2022 Outlook and Budget Calendar
  - City Council Priorities and Direction
- American Rescue Act
  - City Council Priorities and Direction
- FEMA Grant
- Other topics
  - Porcher House Tenant Leases
  - Village Nightlife Workshop
  - Parks

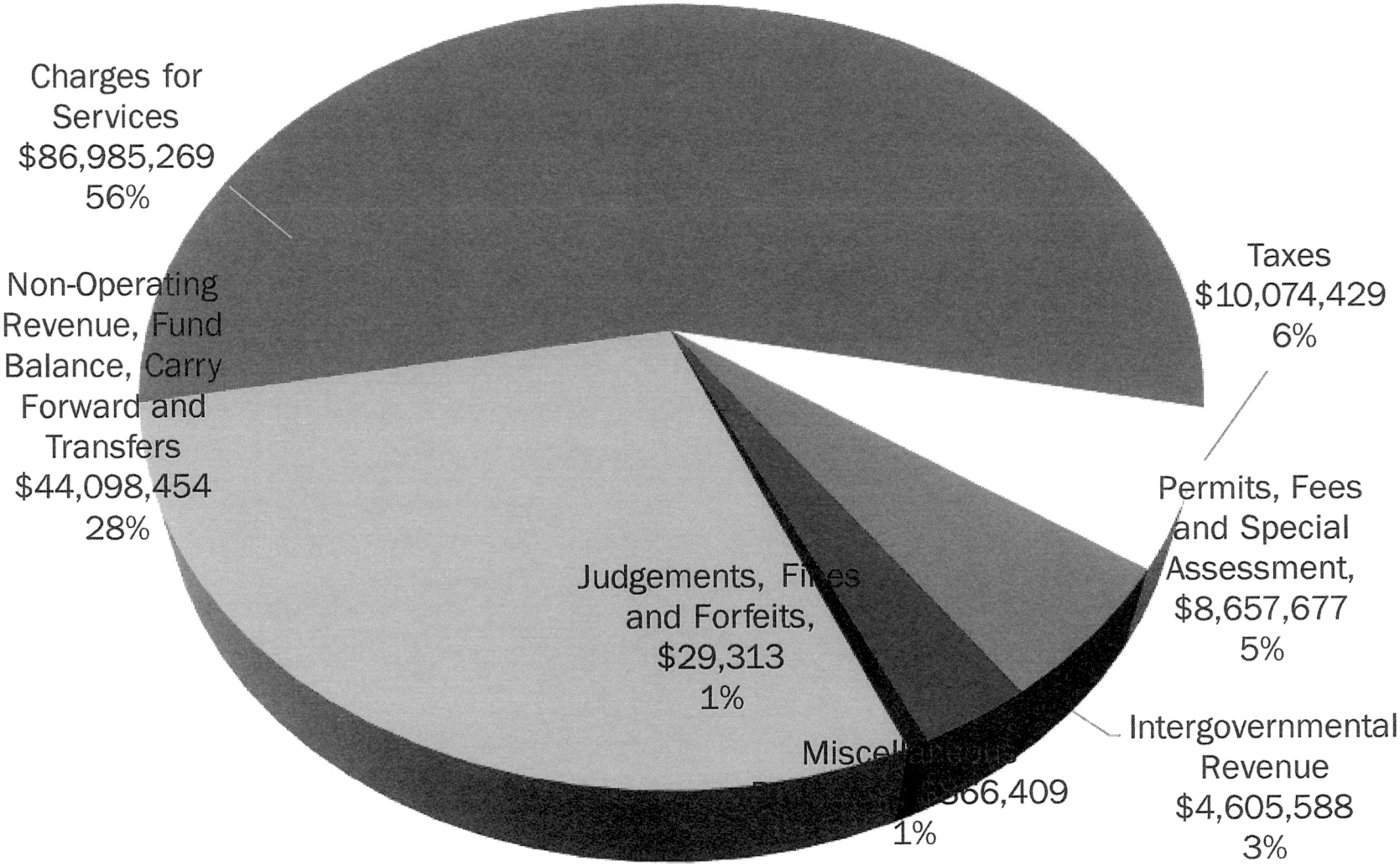


FY2021 Adopted Budget

FY 2021 Adopted Budget

FUND	FY 2021 Adopted Budget	% of FY2021 BUDGET
Water/Sewer Fund	$75,186,987	48.4%
General Fund	$41,351,033	26.6%
W/S Renewal & Replacement	$11,484,879	7.4%
W/S Debt Service Fund	$9,792,610	6.3%
Self Insurance Funds	$6,827,260	4.4%
Special Revenue Funds	$3,046,572	2.0%
Water/Impact Fees	$2,233,605	1.4%
Stormwater	$1,811,269	1.2%
G.F. Debt Service Fund	$1,745,706	1.1%
Workers Compensation Fund	$1,208,944	0.8%
Building Permit Fund	$536,646	0.3%
Capital Projects Funds	$91,628	.1%
WS Capital Project 2018 Bond Fund	-	-
FY 2021 Budget Total	**$155,317,139**	**100%**

THE FY 2021 ADOPTED BUDGET: $155,317,139



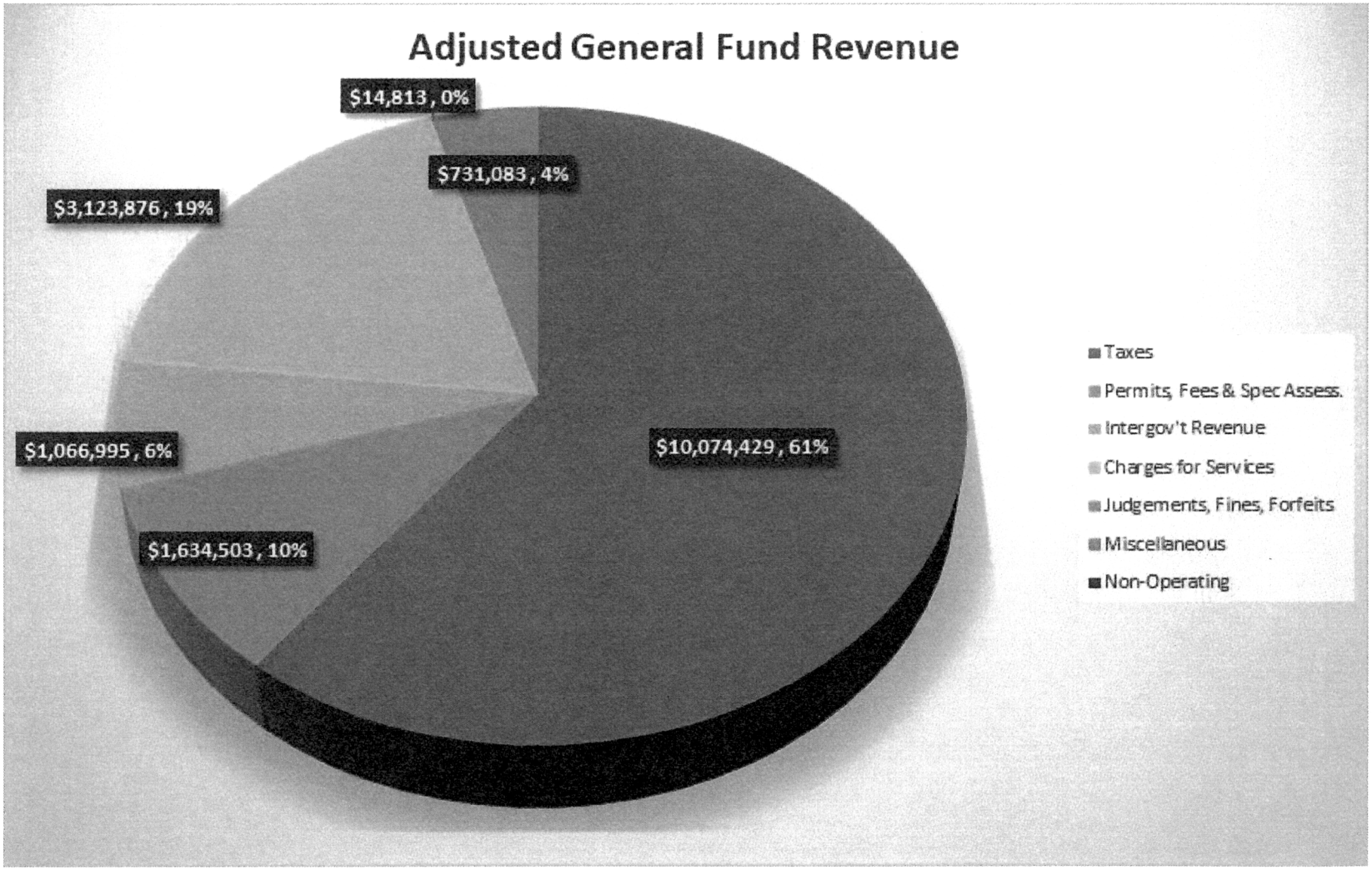


General Fund

Revenue

Total Revenue Budget	**$41,351,033**
Use of fund balance	**($2,043,500)**
InterFund Transfers	
Utility Fund (ROI/PILOFF)	($9,185,381)
Cocoa CRA	($ 348,907)
Total Interfund Transfers	**$9,534,288**
Charges for Services – Utility Fund	($6,585,764)
Stormwater	($ 178,749)
Fire Assessment	($2,768,500)
SRO	($ 171,000)
Grants	($ 322,896)
State Restrictions (pensions, state ed, FDOT)	($ 506,337)
Solid Waste	($2,534,300)
Lee Wenner Park	($ 60,000)
Operating Revenue	$16,645,699

Operating Revenue



General Fund Expenditures

Basic Services:	
Police	**$10,485,570**
Fire	$ 6,628,150
SRO	($ 171,000)
Special Assessment	($2,768,500)
Total Public Safety	**$14,174,220**
Public Works	$7,402,415
Solid Waste	($2,534,300)
Total Public Works	**$4,868,115**

Support Services:	
General Government	$7,763,095
Grants	($ 322,896)
State Restrictions	($ 506,337) (pension, stated ed, FDOT)
Lee Wenner Park	($ 60,000)
Total General Government	**$6,873,862**
TIF Transfer	($ 978,500)
Debt Service	($1,745,706)
Cocoa CRA (Riverfront Park, Debt)	($ 348,907)
Total Debt	**($3,073,113)**
Building Permit Subsidy	**($ 326,846)**
Total General Fund Expenditures	**$22,516,238**

HOW MUCH TOTAL GENERAL REVENUE DO WE HAVE?

New Money

FY22 Budget	
Property Tax Increase 3%	$198,807
Increase in shared revenue	$ 0
Fire Assessment 3%	$ 78,435
Utility Billing Fees – CPI 1.5%	$ 14,930
Utility/Stormwater Transfers	$135,000
Total Increase in Revenue	**$427,172**
Increase in Expenses	
Payroll 3%	$437,361
Insurance - W/C/Health 10%	$271,843
New Positions (3)	$210,000
Total Increase In Expenses	$949,204
Net "New" Money	**($522,032)**

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General Fund
Fund Balance

Fund Balance is Made up of:

Fund Balance

- Non-Spendable – inventory/pre-paids
- Restricted – externally enforced limitations
- Committed – self-Imposed limitations…Stabilization fund ($11.8M+), Capital Replacement ($500K)
- Assigned – designated for specific projects/expenditures
- Unassigned – available and commonly referred to as “Reserves”

Fund Balance Policy

- Ensure adequate money for emergencies – stabilization reserve (committed)
- Ensure a minimum amount of funding for capital – capitalization reserve (committed)
- Fund balance reserves can be used for capital/one-time expenses only…**cannot be used to fund something that will occur every year or incur ongoing operational costs**
- Fund balance reserves can be used for catalytic Capital/Economic Projects to enhance overall City growth and quality of life
- Fund balance reserves can be used to fund capital projects
  - Capital Projects that cause additional operating costs require a revenue source for future O&M expenses

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$$$$ Assigned Fund Balance

Economic Incentives	$500,000
Building Equipment	$2,064,000
Parks Improvements	$2,250,000
Village Parking	$1,000,000
Donations	$100,000
Roads and Sidewalks	$350,000
Software Upgrades	$1,500,000
Housing	$350,000
Sustainability/Resiliency Initiatives	$750,000
Total Assigned Fund Balance	**$8,864,000**

FY21-Use of Assigned	
Building and Equipment	$2,064,000
Police HQ Building Improvements	$468,000
Fuel Tank Replacement (GF)	$275,000
Fire Pumper Truck	$605,145
Sustainability/Resiliency Initiatives	$750,000
Signs to Solar	$50,000
Retrofit LED	$200,000
FY21 Assigned Fund Balance	**$1,598,145**
Balance of Assigned Fund Balance	**$7,265,855**

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$$$$ Assigned Fund Balance (cont.)

- Parks Improvements

  Common Theme Related Improvements (Entry Features, Lighting, Fencing, Drinking Fountains, Trash Cans, Benches, Bike Racks)

  $475,000

- Park Amenity Enhancements

  (Athletic Courts, Swimming Pool, Scoreboards, Support Facilities)

  $1,661,500

- Park Infrastructure Enhancements

  (Athletic Field Reconstruction, Parking, Stormwater, Pedestrian Connections, Water Fountains, Irrigation)

  $2,864,000

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FY 2021 Departmental Requests For Significant Capital Items Deferred to FY 2022

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7 Unmarked Police Patrol Cars	($175,000)
Police Scanning & Mapping-Crime Scene Device	($ 60,000)
Traffic Response Trailer	($ 17,000)
Traffic Advisory Sign	($ 17,000)
Pierce Enforcer Pump Truck	($640,000)
Fire Inspector Vehicle	($ 24,251)
Fleet Faster Upgrade	($120,000)
Total Large Capital Moved to FY 2022:	**($1.05 Million)**

Current Year CIP in progress: FY 2022 General Fund CIP Requests: $4,654,052

City Council Priorities and Direction



- Streets/Drainage Improvements
- Repurpose of Vacant City Buildings
- Salary Increases
- Law Enforcement Retention
- Lower Costs of Insurance to Employees
- Museums
- Parks Maintenance (to discuss in detail 4/26)

Unavailable Use of Fund Balance



Unavailable use of fund balance – must find new revenue source:

- Museums Personnel/Maintenance
- Parks Maintenance (4/26)
- Wages - $15 min wage. Last pay study in FY16 was never implemented causing uncompetitive salaries – all positions
- Solid Waste Revenue Reduction
- Law Enforcement Retention

$4.4 million American Rescue Act

2 waves of money – 5/21 & the following year

Must be spent by 12/31/24

Suggested Uses	
Health Center Parking	$15,000
Police/Fire radios	$1,023,695
Retro Fit HVAC – City Hall/Police/Other	$277,200
Replace HVAC and Enhanced Purification	$951,315
Electronic Records/Forms/Work-Flow	$40,000
Utility payment support (Inside Cocoa City Limits)	$180,000
Fiber Optic Cable	$121,000
Aid to Impacted Industries	$450,000
Infrastructure – Servers, virtual Desktops, Broadband and Storage	$290,571
Replace Revenue Shortfall	
Ad Valorem Revenue (Unpaid Taxes)	$700,000

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$4.4 million American Rescue Act

Suggested Uses (cont.)	
Community Services of Brevard	$100,000
Rental Assistance	$600,000
Laptops Dr. Joe Lee Smith Center	$30,000
Mowing Replenishment	$25,000
Generators	$300,000
Park Improvements	$5,328,600
Riverfront Park Drain Field Improvements	$865,000
Pipe Lining	$800,000
Cocoa Save-A-Lot Forgivable Loan Agreement	$450,000
Department Requests Total	$14,844,357

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FEMA Mitigation Grant

To be used for the General Fund portion of drainage issues in Broadmoor Acres:

General Fund 21% $651,000

Water/Sewer 28% $868,000

Stormwater 51% $1,581,000

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FY 2022 Budget Calendar



- June 30, 2021 Budget Workshop
- July 20, 2021 Tentative Millage (TRIM)
- August 10, 2021 (Preliminary Fire and Stormwater Assessment and Water/Sewer Public Hearings)
- August 24, 2021 (Final Fire and Stormwater Assessment Public Hearings)
- September 14, 2021 First Millage/Budget Hearing (Tentative)
- September 22, 2021 Final Millage/Budget Hearing (Tentative)