

Responses to Budget Questions

8-4-23

- A. It is true that the town council voted to have an automatic 3% pay raise every year? If so, is that for all town employees or just executive salaries?

In September 2021, the Town Council approved Resolution 2021-08, which addresses Florida's Amendment #2, increasing the minimum wage to \$15/hour by September 30, 2026. This resolution increases all wages by the same amount for all employees each year over a four-year period. For the upcoming fiscal year, all employees will receive an increase of \$2,080. Percentage-wise, the increase is higher for lower-paid employees, and lower for higher-paid employees.

- B. Did the town receive any Covid or Hurricane money? If so, how much and where was it used?

Yes, the Town received almost \$181k in Covid funding between 2020 and 2022 through the CARES Act and other grants. This money was used to reimburse the Town for all eligible Covid-related expenditures such as disinfectant/protective equipment, personal protective supplies, employee pay due to the pandemic (overtime, sick, administration leave), telework improvements, and Covid testing.

The Town has also begun to receive reimbursement for hurricane-related expenses. Our total estimated cost for all hurricane expenses is \$896,150, of which \$673,589 is eligible for reimbursement. Of this \$673,589, we have received \$240,983 from the Town's insurance carrier and \$71,107 so far from FEMA, leaving \$361,499 expected to be received from FEMA and the State. Of the remaining amount, \$128,156 is expected to be received in the next few months or so, while the rest is expected sometime in FY24/25. The reimbursement money received is being used to replenish reserve accounts from which hurricane expenses were funded. These include the cost of debris removal; repairs to roofs of the Fire Station and Community Center; the dune walkover stairs at Ponce Preserve; repairs to the boat ramp piers; repairs to fences, light poles, and street signs at multiple locations, and cleaning of all storm drainpipes in the south half of the Town.

- C. How many new homes were finished in Ponce Inlet this year and what is the increase of tax revenue is for the town? Each year, the Town receives estimates of new construction value from the Volusia County Property Appraiser's office for the preliminary tax roll. These estimates are based on the previous calendar year. The most recent available estimate is from January 1, 2022 through December 31, 2022. During this time frame, 10 new homes were completed, and no new commercial structures were added. The value of all new construction includes *all* newly constructed items on all parcels in Town, such as swimming pools, porches, sheds, etc. The taxable value of all new construction in Ponce Inlet is \$6,651,092. At the FY 22/23 millage rate of 5.3, this value brought in \$35,250.79 in additional tax revenue [$\$6,651,092 \times 5.3 \div 1,000 = \$35,250.79$]. At the proposed millage rate of 6.5, this same value would bring in \$43,232.10.

Budget Questions:

Administration

1. Why is Professional Services on page 10 almost doubling from \$31,800 to \$60,900?

This line item includes annual expenses for the Town's grant consultant (\$18,000), ACA-IRS reporting, temp. help, and physicals. It also includes a proposed salary study (\$28,500). A new salary study was recommended by the last salary survey in 2016. An updated salary survey keeps the Town competitive with the surrounding local governments and addresses compression between newly hired and tenured employees in the same job or similar. Although Resolution 2021-08 addresses Florida's Amendment #2 (\$15/hour minimum wage), it does not address wage inflation issues in today's labor market.

2. Also on page 10, why is Accounting & Auditing going up almost \$5k from \$38,663 to \$43k. I see under comments that Auditors and Contractual assistance in audit prep going up 75%. Why?
This line item includes the annual cost of the Town's auditors, OPEB (Other Postemployment Benefits) actuarial valuation, and contractual assistance in audit preparations. The 75% is not a cost increase, but rather indicates that 75% of the total cost for these services is being paid out of the Administration account, while 25% is being paid out of the Water Operating account (see page 45). The auditor's contract was approved by Council for a 2-year renewal at the May meeting. The annual fee for the auditors is significantly lower than for other cities our size. The 2nd year of renewal contract will be adjusted for the effects of percentage increases or decreases in CPI-U.
3. Page 10 Travel and Per Diem going up from \$6,800 to \$10,100. Why?
This includes the hotel, food, and vehicle mileage costs associated with professional training for two additional staff positions. Lodging expenses have increased over previous years.
4. Why are legal ads on Page 11 going up \$2500?
We are required to advertise the Town's budget and tax summary yearly and meet the State's detailed advertising requirements. The cost of this advertising has increased.
5. Page 11, Training going up from \$3,500 to \$5,900. Why and who is this training for?
This includes the anticipated training registration fees for two new employees. Conference fees have increased. Certain positions require professional certifications, which require annual continuing education to maintain.
6. Page 11, Building Improvements. Proposal of \$30,000 for Fire Suppression of Clerk's New Office. Is this a new build or already built? Why wasn't that already included in the build or renovation cost to begin with? The new clerk's office was budgeted in FY 22/23 and the project was completed this past May. However, the fire suppression system was inadvertently missed in the original project cost estimate and bidding documents. The system is needed to safeguard personnel files and various public records that are required to be retained by law.

Planning & Zoning

7. Page 13, Senior Planner salary to go up from \$71,500 to \$80,080. Why?
This position was vacant from June 2022 to January 2023 and was difficult to fill. The salary had to be increased beyond the amount originally budgeted to attract qualified candidates. The increase for next FY reflects the current salary of the Senior Planner, plus the additional \$2,080 salary increase for each employee per Res. 2021-08.

Information Technology

8. Page 14, IT Technician Salary to go from \$31,200 to \$58,760 a raise of \$27,560. Why so much?

The IT technician position was added with the FY 22/23 budget, but was only funded for the second half of the year. The \$31,200 reflects the cost to hire that employee for 6 months. For FY 23/24, the salary increase reflects the full-year cost. The salary also includes the additional \$2,080 salary increase for each employee per Res. 2021-08.

9. Page 14, Contractual Services Computer to go from \$170,000 to \$232,825 an increase of \$62,825. Why?

This account includes all contractual computer and network services for all Town departments. The majority of the cost increase is based on the following:

- \$10,000 – Renewal of Microsoft Office/O365 Licensing agreement; to include newly added staff positions, as well as changing/upgrading licensing type (additional features) for some staff.
- \$19,835 – Completion of the Planning & Development Department’s software upgrade for from Tyler EnerGov to Tyler EPL Suite, part of a previously approved project. Energov is the permitting software used by that department since 2018 for building permit application and issuance. The current version is obsolete because it runs on a platform (MS Explorer) that is no longer supported.
- \$25,150 – The implementation of new CSS (Customer Self Service) / Online Portal/Processing for Tyler EnerGov/EPL; part of a previously approved project. The upgrade is needed to comply with state law, which requires all local governments to accept building permit applications and permit fee payments electronically. The department does not currently have this capability.
- \$4,450 – The implementation and upgrading of Bluebeam Studio and Bluebeam Licenses to newer modern version; current version installed is from 2018. It will allow Town staff to review electronic permit application submittals.
- \$7,750 – The implementation of new CivicPlus Agenda & Meeting Mgmt. Solution to enhance Clerks’ functionality and efficiencies with public meeting agendas. It is currently used by the cities of Port Orange and Daytona Beach Shores, and many others. NOTE: staff is now proposing to defer this to FY 24/25.

These expenses equate to approximately \$67,175 of this line item. Other factors include vendors adding inflation increases for existing licenses & renewals.

10. Page 14, Communication Services – Phone/Internet from \$52,848 to \$60,000 an increase of \$7,152. Is this a one-time increase to add the fiber connections?

Included here is the fee for the current network and telephone connection between Town Hall, Fire Station, Public Works, and Museum utilizing fiber optic network and internet cable modem. The estimated \$7,152 increase is to provide phone/internet service to newly acquired staffing, estimations for proposed staffing, as well as increases in Federal and State taxing authorities that do not fall within our tax exemptions status.

11. Page 15, Non-Capital Equipment: \$38,891 to \$73,500 an increase of \$34,609. How often are desktops/laptops replaced in the town? This shows 20 desktop/laptops being replaced at \$20,000. This also shows a proposed \$20,000 for outdoor security cameras. Is this a replacement or new cameras? Where are these cameras going to be installed and why? Do we have a crime problem?

This line item covers replacement of computers, network infrastructure, and other IT equipment for all Town departments, as needed.

- \$20,000 – The replacement of approximately one-third of legacy, non-performing PCs. Staff is anticipating a three-year replacement schedule, although this can certainly be extended.
- \$11,000 – Replacement of legacy Plotter/Printer/Scanner. Existing device does not meet current security standards, thus cannot communicate with Microsoft O365 Cloud Email/Storage solution. It is also does not scan efficiently and is therefore time-intensive to operate.
- \$15,000 – The implementation of 7-10 new exterior/public facing security cameras for public park and facilities, to assist Police Department efforts in deterring and apprehending of criminal activity on public property, as well as potentially reduce liability for the town against false claims. The return on investment is high, especially to deter vandalism to park property that can be expensive to repair. PD can monitor the cameras remotely from any location.
- \$5,000 – The implementation of new MFD (multi-function device) or other printing solution for the Finance Department, as the previous MFD was relocated to new Clerk's office.
- \$4,000 – The implementation of replacement legacy NVR (Network Video Recorder), for existing facility security cameras. Existing NVR no longer meets security standards, nor is functional with modern web interfaces.
- \$1,500 – The implementation of a replacement legacy router at the fire station. The current device has a manufacturer's end-of-life date as of Oct. 2016, thus is no longer supported and doesn't meet modern security standards.

12. Page 15, Training going from \$14,500 to \$38,550 an increase of \$24,050. Aren't we hiring already qualified people to do the job?

Yes, our new hires are qualified to the job. The majority of the increase (\$19,350) is needed to implement, troubleshoot, and train end users on the new permitting software (the upgraded Tyler EPL). This specialized software is significantly different from the current version that training is required. The cost to do this is in addition to that of the software itself. This makes up most of the total increase in this line item.

Police

13. Page 16, Rentals and Leases from \$100 to \$36,790 and increase of \$36,690. What are the 3 lease vehicles for \$36,640 going to be used for?

The three new leased vehicles are to replace two interceptors for patrol officers and the take-home SUV for the Chief. The current vehicles date from 2016 and 2017.

Building/Code Enforcement

14. Page 20, Contractual Services 0 Bldg Insp from \$2,500 to \$7,000 an increase of \$4,500. Why?

This line item pays for extra assistance with building inspection services (through Universal Engineering) to cover heavy inspection volumes or to provide back-up when the Building Inspector is out of the office. Note that the current FY is expected to finish at \$15,000 due to heavy construction activity and hurricane repairs. The proposed amount - down to \$7,000 - reflects the anticipation for significant construction activity to continue next year.

Public Works

15. Page 23 Professional Services from \$2,300 to \$15,000 an increase of \$12,700. Are we getting a new Public Works Facility? If so why? What is wrong with the current facility? What is \$10,000 for other miscellaneous professional services?

The Public Works department has developed a Conceptual Plan to provide for a minor building modification and expansion of the parking lot on the existing site. The facility is maxed out on space and the current re-design would allow us to maximize the current building footprint as it relates to parking and other vehicle storage. These additional funds (\$10,000) are to pay for an engineered site construction plan in FY 23/24. Construction would be funded separately in FY 24/25. NOTE: staff is now proposing to defer this to FY 24/25 and construction to FY 25/26.

16. Page 23 Rental and Leases from \$4,250 to \$29,380 an increase of \$25,130. Lease of 3 vehicles and 1 dump truck at \$16,530. Is this dump truck a purchase or lease? Is this increase going to remain for every year going forward?

The Town has begun leasing vehicles through Enterprise Fleet Management, as approved by the Town Council in May 2023. For Public Works in FY 23/24, this line item includes the cost to lease three vehicles: the two replacement pick-up trucks received this year (\$8,600/year) and a replacement dump truck for next year (\$16,530/year). The Town will lease the dump truck vehicle but must purchase the dump truck loading bed. The lease cost of the two pick-ups is split with the Water Fund (#401). The department also annually rents high-lift equipment for tree trimming at Town hall, other public buildings, and Town rights-of-ways for safety and aesthetic reasons.

17. Page 23 Repair and Maintenance from \$60,000 to \$90,000 and increase of \$30,000. Painting of museum for \$10,000? Who does this paint job public works or someone else? Why does that little building cost so much to paint?

This includes the annual cost for repair and maintenance of Town facilities and grounds, A/C maintenance and replacement, fire extinguisher testing, painting of building interiors as needed, and plumbing replacement. Additional non-annual items next year include replacement of the stairs at the Fire Department (\$15,000), and repainting the Historical Museum buildings (\$10,000). Both are to be contracted out due to limited staffing, liability, and quality of workmanship. The fire department stairs have deteriorated and are no longer safe. The exterior painting of the museum buildings is necessary to maintain and protect the Town's investment in these structures, neither of which have been repainted since they were first restored in 2010.

18. Page 24 Buildings with a new proposal to spend \$13,000 for Miscellaneous improvements to Town facilities. What exactly are the facilities and improvements? Who is to do the work?

Building maintenance costs have increased in terms of material and labor prices. NOTE: staff will be reducing this amount with the final proposed budget.

19. Page 24 Machinery and Equipment from \$13,942 to \$42,500 and increase of \$28,558. New mower purchase of \$7,500. Couldn't the current one be repaired or is this an additional mower? How many mowers does the town have? Generator for the community center for \$35,000. Why do we need a generator for the community center? Is it certified to be a shelter? Isn't the community center in a flood zone?

The department is responsible to mow and trim all Town-owned properties and rights-of-way that front on vacant, undeveloped lots. The mowers are repaired as needed but must be replaced eventually. The mowers are on a five-year replacement schedule – replacing one of the five mowers each year. NOTE: staff is now proposing to defer replacement of this mower to FY 24/25. The Community center is not a "certified" shelter, but it was used to temporarily house a small number of residents whose homes were flooded last year during Hurricane Ian. The Center is also used as staging area for emergency response. FPL inquired about using it for that purpose

after the storms. Yes, the Center is in a flood zone – the generator would have to be elevated above the base flood elevation or otherwise made floodproof. The Town was granted \$20,000 toward the \$55,000 total cost through appropriation by the Florida Legislature and the FL Department of Emergency Management.

Parks & Recreation

20. Page 25 Promotional Activities from \$6,000 to \$11,000 and increase of \$5,000. Why is the cost going up so much? Has attendance increased that much to warrant such a big increase? In FY 22/23, the \$6,000 was for children’s holiday events: Halloween (\$2,000); Christmas (\$2,000); Easter (\$2,000). In FY 23/24, the \$11,000 includes: Halloween (\$2,000); Christmas (\$5,000); Easter (2 events- \$4,000).
- This increase to children’s holiday events is based on resident requests and recommendation of the Cultural Services Board.
 - Pollard Park will host the annual tree lighting with Santa. This proposed increase was recommended by the Cultural Services Board on 6-5-2023 for an aerial lift to hang lights higher within the park, more decorations, and a new tree.
 - Residents have also requested an additional Easter event to accommodate for an older demographic. The department continues to seek programs for teens and seniors, and the proposed additional Easter event may be geared towards adults or teens. NOTE: staff is now proposing to defer this second activity to FY 24/25.
21. Page 25 Training from \$925 to \$2,300 an increase of \$1,375. Listed as conference, summit, and academy of leadership. What exactly is the training and who in the town is this for? This is to provide management and leadership training for the Cultural Services Manager (a Department Head level position) through the Florida Recreation and Park Association. Professional development is an on-going goal of the Town Council for all departments.

Waters Op/Maintenance

22. Page 45 Regular Salaries from \$208,802 to \$259, 566 an increase of \$50,764. Comment section says increases of 30% of PW Employs (what is PW?) Admin employs Acct/UB Spec 75% increase (What is UB?) Office Specialist 75% increase (What exactly does the office specialist do?) Payroll/UB Asst 25% raise. Why are these employees getting such big raise above and beyond the 3% raise limit? “PW” is an abbreviation for “Public Works,” while “UB” refers to “Utility Billing.” The percentages are not an increase, but rather refer to the proportion of their salaries being paid out of the Water Op Fund for each position. The proportions are based on the amount of time they spend working with the Town’s Water Utility system. For example, 30% of the salaries for non-executive Public Works employees are paid out of this fund, while the rest is paid out of the General Fund. Likewise, 75% of the Accountant/Utility Billing Specialist salary is paid out of the Water Op fund, since 75% of her time is spent on this activity. The Office Specialist functions as the cashier and receptionist at Town Hall. She handles payments for utility bills and permit transactions at Town Hall. The salary line item also includes the additional \$2,080 salary increase for each employee per Res. 2021-08.
23. Page 45 Travel from \$1,500 to \$4,000 and increase of \$2,500. Travel expenses for schools (what exactly is this for? We don’t have schools in Ponce) Conferences including Governor’s Hurricane Conference. What people are designated to go these conferences? This includes the hotel, food, and vehicle mileage expenses associated with continued training for engineering and technical staff to maintain professional licenses. Costs for these items have

increased. Additional costs are anticipated for required continuing education needed to maintain the PW Director's engineering license, as well as Hurricane Training for the Assistant Director. "Classes" would be a more accurate word than "schools."

24. Page 46 Repair and Maintenance from \$10,000 to \$15,000 and increase of \$5,000. Why the increase?

This includes funds for repairs and replacements for water meters, valve systems, and service lines as needed. Costs have increased on all of these items. The cost to replace just one water valve is now approximately \$10,000. Large meters fail from time to time and must also be replaced.

25. Page 46 Repair and Maintenance – Hydrants from \$30,500 to \$35,000 and increase of \$5,000. Comments section says Flushing/Painting, bolt replacement, replacement of two hydrants. What is the cost of the hydrants. Who performs the flushing/painting and bolt replacement.

This includes the cost to annually evaluate, maintain, repair, and replace the Town's fire hydrants. This service is contracted out each year. Fire hydrant replacement and installation costs are now in the range of \$6,000-\$7,000 each.

26. Page 46 Bank Service Fees from \$24,234 to \$36,200 and increase of \$11,966. Comment section says Bank Svs Fees & On-line Payments. Please explain why we are paying bank service fees and what on-line payment fees are we paying and why?

Although the bank service fees were initially included and accounted for in the utility fee structure from the 2012 water rate study, this cost has increased greatly due to more customers utilizing the Town's online self-service credit card payment method. The Town has had to increase its utility fees periodically to cover rising costs. The Town is now having a new rate study conducted, which will account for the additional bank service fees and all other expenses in the new utility rate. Overall, allowing on-line payments by credit card provides a cost-savings to the Town. It makes it as easy and convenient as possible for customers to pay their utility bills on time; greatly reduces the number of service cut-offs each month; and saves the Town money by requiring less staff time to process payments. Even though the updated cost will be factored into new rate, the payment of the fees must still be shown within this line item.

27. Page 46 Non-Capital Equipment from \$4,000 to \$8,000 an increase of \$4,000. Comment says misc. tools and meter boxes. Meter boxes for what? What does a meter box cost? How many do we need? And what kind of miscellaneous tools?

There are currently 50-60 water services exposed above ground. These need to be covered in meter boxes to protect them from possible damage, water loss, and vandalism. This is a new work item proposed by the Director as a system investment / improvement.