

**MINUTES OF THE WORKSHOP MEETING  
OF THE LADY LAKE TOWN COMMISSION  
LADY LAKE, FLORIDA  
July 17, 2014**

The Budget Workshop Meeting was held at the Lady Lake Town Hall, 409 Fennell Blvd., Lady Lake, Florida with Mayor Ruth Kussard presiding. The meeting convened at 9:00 a.m.

**CALL TO ORDER:** Mayor/Commissioner Ruth Kussard

**1. ROLL CALL:** Tony Holden, Commissioner, Ward 2  
Dan Vincent, Commissioner, Ward 3  
Paul Hannan, Commissioner, Ward 4  
Jim Richards, Commissioner, Ward 5  
Ruth Kussard, Mayor/Commissioner, Ward 1

**STAFF MEMBERS PRESENT:** Kris Kollgaard, Town Manager/Town Clerk; Jeannine Michaud, Finance Director; Chief Chris McKinstry, Police Department; Thad Carroll, Growth Management Director; C.T. Eagle, Public Works Director; Mike Burske, Parks & Recreation Director; Marsha Brinson, Library Director; and Nancy Slaton, Deputy Town Clerk

**2. Public Comment**

Mayor Ruth Kussard asked if anyone present had any comments or questions. There were no comments or questions.

**3. Fiscal Year 2014-2015 Budget – General Fund Overview**

(The Proposed Budget for FY 2014 is on file in the Town Clerk's office.)

The Mayor introduced Finance Director Jeannine Michaud to review the budget.

Ms. Michaud showed a graph of the items cut from the FY 2015 and attempted to explain it.

Commissioner Hannan stated that since it is showing cuts from a budget that has not been approved by the Commissioner, it is just fluff.

Town Manager Kris Kollgaard stated it is a graph to show the Commission where staff has made cuts to the budget in light of the approximate \$650,000 reduction in revenue from the Communication Services Tax.

Ms. Michaud stated that it strictly pertains to the FY 2015 budget, and since budget planning begins in April, this graph shows the areas staff cut from the initial proposed budget due to the revenue loss from the Communication Services Tax.

Commissioner Richards commented that the Commission has seen this information in a different format in previous years, and that this is a useful tool for the Commission.

Commissioner Hannan asked that the Finance Director read the Transmittal Letter/Budget Message for Fiscal Year 2014/2015.

Ms. Michaud read the transmittal letter word for word (on file in the Clerk's Office), and there were questions and answers/discussion regarding some of the items mentioned in the letter as follows.

Personnel Costs:

Commissioner Hannan stated one of his missions today is to attempt to find funds to give staff a COLA increase, as he thinks they should get some type of raise.

Commissioner Vincent agreed that staff should get an increase, but suggested a one-time compensation at the end of the year if and when the Commission finds funds to cover it.

Mayor Kussard stated she would like to see staff get some type of increase also, and figured that just a 1% increase would amount to \$44,196 from the general fund and \$5,437 from the utility fund. She stated it does not seem right to tell the employees they are doing a wonderful job and then not compensating them with a merit or cost of living raise. Mayor Kussard stated that although the budget is already in trouble with lost revenue from the Communication Services Tax, she would like to see the employees receive something, perhaps as Commissioner Vincent suggested.

Highlighted Expenditures:

After Ms. Michaud read that the budget includes \$3,100 for the volunteer dinner, Commissioner Hannan suggested that the Town hold a casual cook-out instead of the more formal and structured volunteer dinner, stating it would probably cost a lot less money.

Mayor Kussard replied that she thinks the volunteers look forward to and enjoy the volunteer appreciation dinner, and that she does not like the idea of a cook-out.

Ms. Michaud explained that the Library budget shows an increase despite budget cuts because of a \$744,000 increase in the loan payment and revenues were transferred from the Infrastructure Sales Surtax.

Commissioner Hannan asked if it is possible to make an interest only payment on the loan, and forgo paying the principle for one year.

Ms. Michaud stated it may be possible, but might involve a refinance.

Town Manager Kris Kollgaard commented that the Town will pay more interest if the loan is extended.

Commissioner Holden mentioned that the interest rate on the Library loan is only 3.2%, and that the Town would never get another loan at that low of an interest rate, and the bank would probably not go with an interest only payment and would want it to be refinanced.

Ms. Kollgaard stated that Town is using funds from the infrastructure sales surtax, and if the revenue from that drops or the tax is stopped, the Town would have to pay off the loan from the general fund, and she would prefer to pay the loan off as soon as we can.

Commissioner Hannan asked about the \$10,000 reduction in the budget for book purchases to \$55,000. He stated that with today's technology, perhaps the library could look into buying fewer books and obtain e-books instead.

Ms. Kollgaard replied that this figure includes the purchase of e-books as the Town purchases quite a few of them.

Commissioner Hannan stated he would like to see a breakdown of that.

Mayor Kussard stated the reason the Town paid off the wastewater treatment facility early was so it could put more money toward being able to pay off the Library loan early, and that the Town should continue to try to do that.

Ms. Michaud concluded the reading of the transmittal letter.

Commissioner Hannan asked if there is a target date for coming to an agreement since the Town is in negotiations with Fruitland Park regarding wastewater.

Ms. Kollgaard stated that staff is meeting with Fruitland Park next week, and clarified that if an agreement is reached, any funds will not effect the general funds as it goes into the special/utility funds.

Ms. Kollgaard pointed out that Ms. Michaud has highlighted and given detail on any budget line item that has over a 25% increase.

The Mayor and Commissioner commented that it has been very helpful.

Ms. Michaud stated that the proposed budget for FY 2015 is balanced in all the funds and is based on the millage rate of 3.2808, which is the same rate used for the last five fiscal years. She stated that government-wide, the total is \$13,093,884 for all funds, and broken down, the General fund is at \$9,754,322, the Special Revenue fund is at \$1,126,100, and the Utilities fund is at \$2,213,462. Ms. Michaud noted that the increase in expenses is due to the \$744,000 increased Library loan payment and the \$200,000 increased expense for road resurfacing. She explained that the decreased expense in the Utilities fund is because the wastewater loan was paid off in 2014.

Ms. Michaud reviewed the Millage Rate Analysis for FY 2015. She stated the current year's rolled back millage rate is 3.1345. She stated currently the Town's budget is based on the millage rate of 3.2808 mills, which is a 4.67% increase above the rolled back rate and will bring in approximately \$2,781,248 in ad valorem taxes. Ms. Michaud stated the majority vote maximum millage rate is 3.8781, which would bring in \$3,287,600 and requires a favorable vote of at least three of the five Commissioners to pass; and the two-thirds vote maximum rate is

4.2659%, which yields \$3,616,351 and would require four out of five favorable votes by the Commission, and anything over that would require a unanimous vote by the Commission.

Commissioner Hannan asked Ms. Michaud to explain the rolled back rate.

Ms. Michaud explained that the rolled back rate is the rate given last year's taxable values were smaller, so the millage rate to give us the same amount of money would be less than the current rate we are using, so it gives the Town the same amount of money it took in last year with the higher millage rate, taking into account the per capita increase that is in the formula that calculates the rolled back rate.

Ms. Michaud stated that the taxable property assessed value had declined since FY 2008, and took a small upward turn in 2014 resulting in a growth increase of 5.94% for 2015, which will yield the Town an additional 4,700 (*although 4,700 was stated during the meeting, it should have been 47 million*) in taxable value, and increased the Town's ad valorem \$156,000 budget at 95%.

Ms. Michaud reviewed the millage rate graph showing that the Town has had the same millage rate for the last five years.

Ms. Michaud stated that it is the Town's policy to have six months of expenses in reserves, and as of last year, Lady Lake had 7.9 months in reserves at the end of FY 2013.

Ms. Michaud reviewed the general revenue fund percentages by type, stating the largest revenue source is property taxes at 27.12%; with franchise fees at 13.4%, and state revenue sharing coming in third now at 12.47%. She noted that Communication Services was the Town's third largest revenue source last year, but it dropped to number six now at 5%, or a loss of 7% from last year's budget.

Ms. Michaud reviewed the general budget expenditures. She stated the expenditures in this category have been reduced by 7.28% from FY 2014. She stated there is no cost of living (COLA) increase, no merit raise, no increase for medical, a 9.5% increase for dental, and liability and workers' compensation insurances were increased by 15%, but final numbers are not in yet on this. She noted there is no contingency in this budget.

Ms. Michaud reviewed the proposed FY 2015 general fund purchases for Capital Improvement and Equipment totaling \$136,663.00, stating the first ten items were for Information Technology and the last two items were for Public Works.

Commissioner Vincent questioned whether the current 1992 Ford F350 is really unserviceable and if it is use now, and if not, why it is not up for bid.

Ms. Kollgaard stated that Public Works is not using it now as it does not run, and it will eventually be put up for surplus.

Commissioner Richards asked the specifics of the problem with the truck.

Public Works Director C.T. Eagle replied that the truck has issues with the engine and the electronic components are fouled out and it will not run. He stated it has been to the dealer many times and the lead mechanic cannot fix it.

Commissioner Richards commented that even a \$10,000 repair of the vehicle may be more economical at this time if you are not spending over half the value of it. He asked how many miles are on it.

Mr. Eagle stated that there are not that many miles on it as it was just used in town, but the engine and electronics would have to be replaced.

Commissioner Richards stated that with low mileage, and if everything else is in good shape such as the body, frame, axle and transmission, it may be worth it to repair it.

Mr. Eagle stated he did not believe that repair was feasible.

Commissioner Vincent asked why spend the extra \$6,000 to purchase a diesel truck, as it is more expensive to purchase and repair, and diesel engines break down more often.

Commissioner Hannan asked if the Town Manager was furnished with options for replacement of this truck.

Ms. Kollgaard stated she was given specifications on different vehicles, and Mr. Eagle's preference for purchase. She stated staff can get a breakdown on the cost to repair the engine and electrical components on the vehicle and bring it back to the Commission next week.

Mayor Kussard stated that the Town repaired equipment for years, and then a few years back, the Commission decided on a replacement plan.

Commissioner Hannan commented that this is the year for bandaids.

Commissioner Richards stated that it should be fixable.

Ms. Kollgaard asked if it was the consensus of the Commission to leave it in the budget for now and staff would look at other repair and replacement options, and if the Commission decided to go with a cheaper option, any excess from the budget could go into contingency.

The Commission agreed with this.

Commissioner Hannan asked why Public Works needed a brand new mower at \$17,500.

Ms. Kollgaard stated that the Town has the equipment on a five year replacement plan, and this will allow for a spare mower.

Commissioner Hannan stated that with this being a tight budget, perhaps the replacement of the mower could be put off another year and use those funds toward raises.

Mr. Eagle stated that Public Works currently has one spare mower that is not running at this time, but is fixable.

Ms. Kollgaard asked the Parks and Recreation Director if he has spare mowers, and if so, would Public Works be able to use one of their mowers.

Parks and Recreation Director Mike Burske stated that his department currently has three mowers, and an 11 year old alternate mower, that all run at this time. He stated Public Works could use one of their mowers if need be, but it may not be a perfect mower for their situation.

Ms. Kollgaard stated that although Public Works may be able to use a mower from Parks and Recreation, it may take them twice as long as it would if they had the correct type of mower.

Commissioner Holden asked how many hours can be put on a new mower before it needs major repairs.

Mr. Eagle replied that they can get a lot of hours from the diesel Grasshopper mowers as they are used more for the right of ways; not like the finish mowers for Parks and Recreation. He stated they get anywhere from five to ten years of use from a mower, and use them at least 40 hours a week (2080 hours).

Commissioner Holden stated he is favor of leaving the mower on the purchase list.

Mayor Kussard asked for a consensus on the mower, and all the Commissioners agreed to leave the mower in the budget except for Commissioner Hannan (4-1).

Ms. Michaud reviewed the proposed capital improvements and equipment purchases from the general fund-sales surtax as being two new equipped and marked Dodge Charger vehicles for the Police Department.

Ms. Kollgaard pointed out that emergency vehicles are considered an appropriate use of the sales surtax, although no other Town equipment or vehicles can use this funding source.

Ms. Michaud reviewed the capital improvements and equipment purchases from the utility fund revenues.

Commissioner Vincent questioned again the proposed purchase of a diesel Ford pickup at a \$6,000 higher price tag than normal gas.

Mr. Eagle replied that the state contract will cover a diesel and it is supposed to have a more cost efficient service life, and that it was part of the five year replacement plan. He stated that the vehicle it will replace will be cycled to the Parks and Recreation Department for their use.

Ms. Kollgaard stated that the Town tries to cycle the vehicles out, but it will eventually be surplussed.

Commissioner Hannan reiterated that he has a problem adhering to the five year replacement plan this year because of the budget.

Commissioner Richards explained that the Commissioners were questioning the necessity of replacing this equipment this year because they would like to see staff get a cost of living increase. He stated he has always been in favor of replacing equipment and building roads, but what we would like to have versus what is absolutely necessary may need to be looked at.

Ms. Kollgaard asked Mr. Eagle if staff could get by with the current truck, and he confirmed they could.

Commissioner Holden commented that staff will be more efficient with better equipment and he is in favor of replacing the equipment per the plan. He stated he is in favor of funding as needed, even if it means raising the taxes a little.

Ms. Kollgaard explained that the five year plan was put in place to try to avoid having to come up with funding for equipment breakdowns all in one year.

Commissioner Richards suggested looking at cheaper options for replacing or fixing up the truck, and any money saved could go toward raises.

Mayor Kussard pointed out that this is strictly utility funding, and it would not do to only give increases to utility employees without giving to the rest of the employees.

Commissioner Richards stated it must start somewhere.

Ms. Kollgaard agreed that cuts will be made where they can, but any increases for employees would have to be across the board. She clarified that the \$50,000 for the truck will remain in the budget, but staff will look at cheaper options, and any savings would go back into retained earnings for the utility department.

Commissioner Hannan asked about the accessories for the Kubota tractor.

Ms. Kollgaard replied that accessories are for safety purposes.

Mr. Eagle stated the Kubota tractor is new and cost \$30,000 last year, but there was not enough funds for the accessories. He stated they will help with the loading of bleach, etc.

Commissioner Holden confirmed that the loader accessory requested will double the efficiency use of the tractor and that he is in favor of it.

The other Commissioners agreed.

Ms. Michaud reviewed the purchases proposed using the utility fund-sewer impact fees.

Mayor Kussard called for a short recess before proceeding.

Ms. Michaud began the review of the department budget breakdown and commented that it may look like there is a small increase in some of the personnel costs per department, but they are due to changes in benefits, not wage increases.

**Town Commission:**

This budget has decreased by -2.06% since last year.

Mayor Kussard proposed that all travel and training for the Commissioners be suspended for a one year period as it is not a first term for any Commissioners and it would save \$1,500.

Commissioner Vincent stated that he believes travel to different functions such as Florida League of Cities is worth the money and provides valuable information.

Commissioner Richards remarked that the budget has already been reduced by \$1,000.00.

After further discussion, it was the consensus of the Commissioners to leave this budget as proposed although Mayor Kussard did not agree.

**Town Manager:**

This budget decreased overall by -1.04%.

**Town Clerk:**

This budget has decreased overall by -1.24%.

**Town Clerk - Elections:**

This budget was decreased by -37.5% due to the fact that no election needs to be held in the next fiscal year as no opponents signed up during the qualifying period this year for the two commissioners whose terms expired.

Ms. Kollgaard noted that three commissioners' terms are up next year, but the election will not be held until FY 2016-17 if there are opponents.

Commissioner Hannan suggested that the commissioners' terms be increased to three years instead of two to save the town money on elections.

Commissioner Richards stated he did not agree as he thinks that the public should be able to change the makeup of the Board if they are not happy.

**Finance Department:**

This budget was decreased by -1.04%.

Commissioner Hannan asked where the savings came from.

Ms. Michaud stated that \$1,105 was cut from the books, publications, subscriptions and membership line item as some of this information is available from the FGOA.

Ms. Kollgaard pointed out that most of the departments cut training and supplies expenses, although some required certifications were necessary under training.

**Information Technology:**

This budget decreased by -11.5% overall.

Commissioner Hannan asked about the proposed purchase of Dell 6520 laptop computers as they are no longer being sold by Dell.

IT Director John Pearl explained that during the budget process, this model was used as a spec and was used the previous year. He stated the newer model was recently made available and the Town recently purchased three replacement computers although he could not recall the exact model number.

Ms. Kollgaard commented that these are the laptops the police officers use in their vehicles.

Commissioner Richards asked about the increase in the IT budget for vehicles repairs and repairs and maintenance as there was previous no vehicle related costs in this budget.

Mr. Pearl stated that the Town repurposed a vehicle for use by the IT Department.

Ms. Kollgaard explained that Mr. Pearl has been assigned a take-home vehicle as he is the department's director and is on call 24/7 and this has been included in this year's budget. She stated that IT's operating expenses have gone up due to the GIS software which has been taken from Growth Management's budget, as this expense is rotated between the departments from year to year.

**Human Resources/Risk Management Department:**

This budget decreased overall by -1.56%.

Commissioner Vincent asked why regular pay increased on line item 1200.

Ms. Kollgaard stated that this was an adjustment for a previous raise from year end 2013.

**Growth Management Department:**

This budget decreased overall by -12.88%.

**Growth Management Department - Building Department:**

This budget was increased overall by 4.5%.

Commissioner Vincent asked how often the building inspection services contract is renewed and if a new RFP will have to be put out for bid.

Growth Management Director Thad Carroll replied that the current contract was for a two year period and comes up for renewal on October 1, 2014, and the contract has the option to be rolled over. He stated the previous building official was under contract for six years, so it was time to do an RFP to see what the current market rate was.

Ms. Kollgaard stated that it would be up to the Commission if they wanted to roll over the current contract.

Commissioner Richards clarified that although there was an increase, this is offset by the building permit fees collected.

Ms. Michaud commented that there was also a slight increase in the SunGard costs due to online permitting costs each month.

**Growth Management Department - Code Enforcement Department:**

This budget increased overall by .32%.

Ms. Kollgaard explained that a cell phone was added to this budget for the safety of the code enforcement officers.

**Police Department:**

This budget was reduced by -11.1% from last year.

Commissioner Richards noted that this was because of the eight dispatcher positions being deleted.

**Police Department - Villages Detail:**

Overall, there was an increase of 3.84% in this budget due to a change in personnel for this detail.

Ms. Kollgaard explained that the officers on this detail rotate, and that the officer this year is at a higher pay rate than the previous one.

Commissioner Richards asked why the health insurance doubled this year.

Ms. Kollgaard replied that the officer on the detail for this next year has family health insurance, but this decreases the regular police department's budget.

Commissioner Hannan asked how much The Villages reimburses the Town for this detail.

Ms. Kollgaard replied that the reimbursement is \$100,000.

**Library - Administration:**

This budget increased by 78.47% due to the increase in the library loan payment and the funds for it was transferred in from special revenue.

Mayor Kussard asked about the library donation expense of \$1,600.00.

Ms. Michaud replied that this was the money donated to pay for the copier expense, and is an in and out expense.

**Library - Community Building:**

This budget was reduced by -31.53% from last year.

Commissioner Hannan noted that the community building is rented out six times more than the library meeting rooms and that it is the only building the Town owns that does not have wi-fi.

Ms. Kollgaard stated that it was originally in this year's budget to install wi-fi in the community building, but it was one of the items cut to meet the \$300,000 short-fall. She stated that if any extra money can be found this next year, it will be revisited.

Mr. Pearl stated the option the Town was favoring for the installation of wi-fi was to put a directional bore and install fiber cable under the parking lot and share the already existing internet capability from the library. He stated this may make wi-fi available in the community parks as well and would extend the infrastructure.

Ms. Kollgaard clarified that there would be no additional monthly bill for the wi-fi because it is running off the library.

Mr. Pearl stated that there is another option that would cost about \$40.00 a month through Comcast, and another solution called point to point wireless, but it is not as reliable and customers may not be as satisfied with it.

Commissioner Holden asked how long it would take the Town to recoup the \$7,000 cost for installing the fiber cable from the library.

Ms. Kollgaard replied that would have to be figured out.

The Commissioners agreed this will be looked into in August to see if any funds are available.

Ms. Kollgaard noted that with the cut of over \$300,000 in this year's budget, it is estimated that the Town has 48% in reserves; 2% less than the 50% the Town would like to have, and as a result, there will most likely be no overages to put into next year's reserves.

After further discussion, the Commission agreed that a prepaid contract with Comcast might be a viable option for the wi-fi for the community building.

**Parks & Recreation - Administration:**

This budget had an overall decrease of -52.1% because there was nearly \$500,000 last year from the Safe Routes to School grant.

**Public Works Department - Administration:**

This budget decreased by -15.2% from last year.

**Public Works Department – Other Government Services – Facilities Maintenance:**

This budget had an overall increase of 58.7% due to the proposed increase in capital outlay for a new truck, which was discussed previously.

**Public Works Department – Other Government Services – Motor Pool:**

This budget had a 6.0% increase in total expenditures.

**Public Works Department - Road and Street Maintenance:**

This budget had an overall decrease of -52.6% from last year as the Avenida Central resurfacing funds were in reserve in operating last year, and the CDBG grant is capital outlay for last year.

Commissioner Richards asked which streets would be effected by the \$200,000 in the budget for road resurfacing in this budget, and stated that perhaps the resurfacing could be postponed.

Public Works Director C.T. Eagle stated the streets are not set until the final budget is set. He stated it will probably effect the micro-surfacing to finish up the west side of The Villages area. Mr. Eagle stated he would not recommend postponing it again.

Commissioner Richards asked if it is possible there will be any saving in the \$750,000 for the Avenida Central resurfacing this year.

Mr. Eagle stated it appears there might be some savings.

There was discussion about the possibility of putting off the Avenida Central resurfacing, but the Mayor stated it has already been planned and approved, and Commissioner Richards noted it has a lot of alligator cracking which means there is base failure.

**NON DEPARTMENTAL:**

**Other Government Services - Town Hall:**

Ms. Michaud stated this budget decreased overall by -50.84% as the contingency has been removed.

Commissioner Hannan noted that the electric costs have been increased and asked if there has been any savings due to the 4/10 work schedule.

Ms. Kollgaard replied that the actual savings will be figured closer to the end of the fiscal year, but that this budget has been figured without taking that into account.

Mayor Kussard asked about the reduction of \$2,500 in the aid to private organizations.

Ms. Kollgaard mentioned that the Town cut the \$2,500 donation to the Early Learning Coalition this year.

**Town Attorney:**

There is no change in this budget; it remains at \$120,000.

**Villages Fire Protection:**

Ms. Michaud stated that The Villages fire protection rates increased by 2.8% this year, but she explained this is an in and out item.

**4. Fiscal Year 2014-2015 Budget – Special Revenue and Utility Fund**

**Special Revenue Fund:**

Ms. Michaud stated there is a 2.3% increase for next year, and includes a \$948,000 transfer to the general fund for the library loan repayment, \$77,000 for the purchase of two police vehicles, and a \$100,000 transfer to reserves. She stated that as of the end of 2013, the audited special fund reserves from the sales surtax was \$997,795.

**Utilities Fund:**

Ms. Michaud reviewed the revenue percentages by type. She stated they total \$2,213,462 with water being the largest revenue maker; the second largest is from sewer, and the third largest revenue is solid waste, which is an in and out item. This budget increased by 32% because of the loan payment.

Ms. Michaud stated that Utilities expenses have been decreased by -9.2%.

**Water Utility:**

This budget has been decreased by -16.62% and part of the reason for this is that half of the GIS costs were put under IT.

**Solid Waste Utility:**

This budget contains an increase of .93% as there was a rate increase in the collection component for waste management which went from \$6.11 to \$6.20 per month, which changes the total monthly charge from \$11.60 to \$11.72. Ms. Michaud noted there will no change in the assessment fee and it covers the increase.

**Sewer Utility:**

This budget includes an overall decrease of -55.85 due to the reduction of the debt payment.

Ms. Michaud stated this was the end of the budget review, and she reminded the Commissioners that they will have to set the proposed millage rate at the Commission meeting on July 21, 2014. She stated that once the millage rate is set, the Commissioners cannot increase the millage rate, but can only decrease it at any future meetings.

The Commissioners thanked Ms. Michaud for her presentation.

Ms. Kollgaard stated that staff has balanced the budget on the current millage rate of 3.2808, but that because of the reduction in the Communication Services Tax revenue of approximately \$500,000 per year, the Commission may want to consider that in their determination of the proposed millage rate.

Commissioner Hannan commented that staff should work on giving some type of increase to the employees.

Ms. Kollgaard stated that this budget is keeping up with plans for equipment and road maintenance, and if there is a decrease every year, this is money the Town will need to make up and get from reserves, even though it may be okay this year. She stated it would be better to have a small increase in the millage rate now rather than a huge one later on when the needs accumulate. Ms. Kollgaard commented that Lake County is now looking at a huge increase. She stated that if the information regarding the Communication Services Tax does not turn out to be as bad as expected, the millage rate can always be lowered.

Commissioner Hannan stated he is not in favor of a millage rate increase.

Commissioner Richards stated that the Commissioners would like for the employees to receive a raise, but that he would rather it come from budget cuts, and he is not ready to raise the millage rate. He stated property values went up this year and may increase more in the future which will mean increased revenue in property taxes.

Commissioner Holden stated he believes in paying as you go, and he would rather raise the millage rate a little now than have to raise it more in the future.

Commissioner Vincent stated he would rather look at budget cuts than increase millage rates. He also requested information on the department heads' salary ranges, suggesting adjustments may need to be made and that the Commissioners may need to assist with the evaluations.

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Ms. Kollgaard replied that she could furnish the salary ranges and years of service to the Commission, but that the evaluations and goals of the department heads come under the Town Manager's purview, and that she sets standards and goals for them.

Mayor Kussard stated that since the Communication Services Tax revenue is still unknown, she is not in favor of a millage rate increase at this time.

Ms. Kollgaard reminded the Commission that they have to set the proposed millage rate at the July 21, 2014 meeting, and they cannot increase it after that date, but they can always decrease it before the second and final meeting in September. She stated staff will make it work regardless, and that she has heard no complaints from staff regarding not receiving raises.

Mayor Kussard clarified that the Commissioners have the weekend to think it through before the meeting on Monday.

Commissioner Vincent asked what happens when someone is at the max of their salary range and is due for a raise.

Ms. Kollgaard replied that the salary range is not increased, but staff would get a bonus instead of a raise.

The Mayor and Commissioners thanked Ms. Michaud and the other department heads for all their hard work on reducing this budget.

**There being no further discussion, the meeting was adjourned at 11:30 a.m.**

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Kristen Kollgaard, Town Clerk

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Ruth Kussard, Mayor

Minutes transcribed by Nancy Slaton, Deputy Town Clerk