MEETING MINUTES
SESSION OF THE COMMISSION BUDGET WORKSHOP
CITY OF KISSIMMEE
CITY HALL, COMMISSION CHAMBERS
101 CHURCH STREET, KISSIMMEE, FLORIDA 34741-5054
TUESDAY, JULY 23, 2024 AT 2:00 PM

1. MEETING CALLED TO ORDER

Members Present: Mayor Olga Gonzalez, Commissioners Olga Castano, Angela Eady, Janette Martinez
Staff Present: City Manager Mike Steigerwald, Deputy City Manager Desiree Matthews, Assistant City Manager Austin Blake, Deputy City Clerk Tameara Crespo, Finance Director Tavia Ritchie, Human Resources Director Roxane Walton
Members Absent: Commissioner Carlos Alvarez III
Staff Absent: City Attorney Olga Sanchez de Fuentes, City Clerk Linda Hansell

Mayor Gonzalez called the meeting to order at 2:00 PM.

2. INTRODUCTION AND HIGHLIGHTS

City Manager Steigerwald provided an introduction, highlighting the key points of the proposed budget to include: current statistics and trends, a sixteen-year consecutive millage rate, economic outlooks, population, growth, and the City's financial stability. He detailed the City is proposing a 5% increase for all non-union employees, keeping us in the top half of salaries in the region. He reviewed the recent accomplishments of the City which included multiple public safety, transportation, infrastructure, economic development and housing initiatives. City Manager Steigerwald encouraged the Commissioners to review the "Budget in Brief" booklet provided by the finance department (Exhibit "A").

After reviewing accomplishments, City Manager Steigerwald was please to announce the Proposed Budget for FY 2025. He outlined the proposed budget and five-year capital plan which included: no increase in the millage rate, diversity of the City's revenue sources, indicating that the reserves remain strong at 33%. He reviewed future public safety enhancements and security initiatives such as new cameras in the parks and trails, a KPD headquarter expansion, a new emergency communications center, public safety training center expansion and three new fire stations. He outlined various parks and transportation projects including those underway due to securing millions in grant funding. He ended his presentation by reviewing the new personnel and positions projected over the next five years for each department, and the compensation enhancements that have allowed for the 5% salary increase with additional market adjustments for certain positions, in addition to new training programs and no increases to employee insurance premiums.

3. BUDGET OVERVIEW

3.A Proposed Annual Budget Fiscal Year 2024-2025

Finance Director Tavia Ritche provided a holistic view of the Proposed FY 2025 Budget via a PowerPoint Presentation (Exhibit "B"). Her presentation touched on key areas to include millage, ad valorem, overall budget health, revenue, general fund allocations, fund highlights (local option sales tax, gas tax, mobility fees, liability, building funds, enterprise funds, health insurance funds, and CRA's), debt overview, reserve overview, market updates and financial trends. She reviewed the economic assumptions including inflation, tourism, sales tax, investment income, external factors and benefit costs.

Director Ritchie brought to the Commission's attention that the City received AA+ bond rating. In closing, she stated the importance of a strong and healthy reserves in case of emergencies; the city is prepared. Commissioner Eady commended staff on not raising the insurance premiums and Director Ritchie explained that due to the City's diversity in funding sources, we were able to offset the raising costs of premiums with various other revenues generated. City Manager Steigerwald pointed out that while other cities charge employee's for health care coverage, Kissimmee does not.

Mayor Gonzalez commended Director Ritchie and her staff on transparency in financial reporting and fiscal responsibility despite many external factors and hardships such as COVID and multiple hurricanes.

4. REVIEW OF DEPARTMENTS

City Manager Steigerwald provided a brief summary of each department as outlined on the agenda. The Commission engaged in one-on-one discussion with each department director. The directors were asked questions by the commission regarding varies issues to include: departmental needs, operations, staffing and personnel, current services, and retention and hiring initiatives. Each director responded to the Commission with their updates and reiterated that they are well prepared for the growth as outlined in the budget requests for the next five years. City Manager Steigerwald and the Commissioners briefly discussed consolidation of positions, cross training in multiple areas, and the positive effects of the minimum wage increase on recruitment and retention of staff in multiple departments.

5. GENERAL DISCUSSION

Human Resources Director Roxane Walton presented a PowerPoint Presentation (Exhibit "C") that reviewed the potential options as it relates to commissioners earning a pension. She compared the differences between a City Pension and City Contributions. The presentation reviewed tier options, retirement eligibility, partial vesting schedule, benefit calculations, contribution limits and notable differences between a City pension, 457 (b), and 401 (a) plans. If the board approves the pension option, this can be done via ordinance and would not require a charter change. Commission consensus was to review the information thoroughly and the item will be placed on the August 20, 2024 agenda for future discussion.

City Manager Steigerwald briefly reviewed the current language in the City Charter (Exhibit "D") and discussed the compensation and formula used to determine commissioner's salaries. He is waiting for the City Attorney to provide an official legal opinion regarding one-time bonus payments for commissioners and whether that will require a charter change. This item will also be brought back on the August 20, 2024 agenda for future discussion.

Director Walton returned to the podium to present a PowerPoint and updates on employee childcare services (Exhibit "E"). An anonymous staff survey was conducted in April 2024. She reviewed the key findings, staff recommendations, and introduced a dependent flexible spending account (FSA) as a way to offset childcare costs for staff, which included $5,000 per year. If Commission consensus is received, the pre-tax benefit would begin in January 2025.

Deputy City Manager Desiree Matthews sought commission direction on how to move forward with this upcoming fiscal year's social services funding allocation process. She reviewed a few options including: continuing the previously established process of invitation only plus past applicants to participate, or advertise to all non-profits that have not previously applied and give uninvited organizations the opportunity to apply. She additionally discussed placing limitations or restrictions on the number of years an organization can apply or a percentage theory that gradually reduces the funding over a period of time. Commission consensus is to bring this item back on the August 20, 2024 agenda and Deputy Manager Matthews will compile data and statistics for the Commission on the outcomes of what similar organizations have done.

6. CONCLUSION

City Manager Steigerwald briefly discussed a citizen's suggestions and the Finance Director has responded to these suggestions via email (Exhibit "F").

City Manager Steigerwald explained that State Law requires us to adopt the proposed millage.

Commissioner Eady made a motion to adopt the proposed millage rate at 4.6253. Commissioner Martinez seconded the motion.

Motion carried 4 - 0.

Commissioner Eady made a motion to adopt the Public Hearing Schedule (September 3 and September 17, 2024). Commissioner Castano seconded the motion.

Motion carried 4 - 0.

There being no further business to come before the Commission, Mayor Gonzalez adjourned the meeting at 5:15 PM.

Olga Gonzalez

MAYOR-COMMISSIONER

ATTEST:

Linda S Hansell

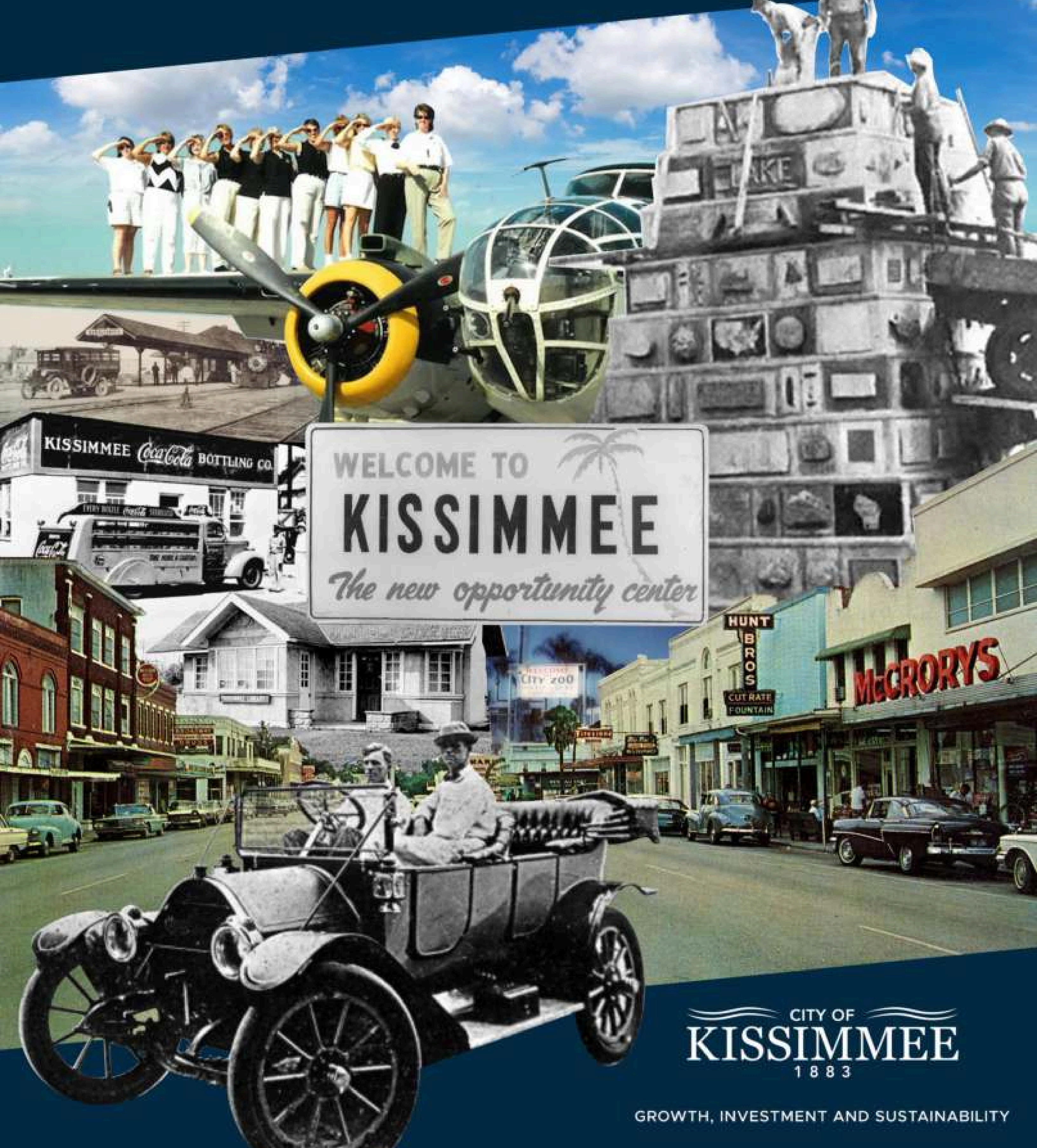
CITY CLERK

Exhibit “A”
Introduction and Highlights
“Budget in Brief” Booklet

CITY OF KISSIMMEE

PROPOSED BUDGET IN BRIEF

FISCAL YEAR 2024-2025



CITY OF KISSIMMEE 1883

GROWTH, INVESTMENT AND SUSTAINABILITY


BROADWAY, LOOKING NORTH, KISSIMMEE, FLA.
KISSIMMEE Coca-Cola
EVERY BOTTLE Coca-Cola STERILIZED
TAKE HOME A CARTON
Tropical Hotel, Kissimmee, Fla.
HOTEL
DINING ROOM
BIRD'S EYE VIEW O

City of Kissimmee **Budget in Brief**

Fiscal Year 2025

It is our privilege to present to you the City of Kissimmee's Budget in Brief. This document is intended to provide residents, business owners, and visitors with a clear vision of the City's financial state. Our organization prides itself on transparency and fiscal stewardship, and this document reaffirms our organization's perspective regarding open, honest, and effective local government. Over the next year, the Commission's priorities will be at the forefront of our initiatives. The theme for the FY 2024-25 budget is sustainability centered around the pillars of growth and investment to sustain. Sustainability means meeting the needs of the present without compromising the ability of future generations to meet their own needs. As such, this budget was built with present and future Kissimmeeians in mind. We believe this budget equips us to serve both in alignment with the City's Strategic Plan. Though the economy remains fragile and volatile, we can chart our course into long-term sustainability and prime quality of life for all through careful direction. We will continue to manage our finances in the most responsible manner possible and ensure that transparency will always be preserved to maintain good governance.

This Budget in Brief is intended to provide an overview of the City's approach to balancing the budget; outline the major sources of funding to pay for City services and infrastructure, and summarize the Fiscal Year 2025 operating and capital budgets.

For more details, we invite you to review the full Fiscal Year 2025 operating and capital budget documents, available on the City of Kissimmee website at **kissimmee.gov/budget**.

For comments regarding the budget or this document, please send an email to **finance@kissimmee.gov**.

City of Kissimmee **Commission**

MAYOR
Olga Gonzalez

VICE MAYOR
Olga Castano

MAYOR PRO-TERM
Angela Eady

COMMISSIONER
Carlos Alvarez III

COMMISSIONER
Jeanette Martinez

Our **Mission**

The City of Kissimmee's Mission is to provide quality, effective and efficient service to our citizens. In providing such service, we hold the following values:

WE VALUE education and training to bring about a professional commitment to efficiently serve our community.

WE VALUE employees, who are loyal to the organization because only then are they committed to the goals of the organization.

WE VALUE communication as a necessary tool in promoting teamwork throughout the City.

WE VALUE employees, who exhibit basic moral values that stress the importance of treating co-workers and citizens with respect and fairness.

WE TAKE PRIDE IN our work and we value being the best we can be.

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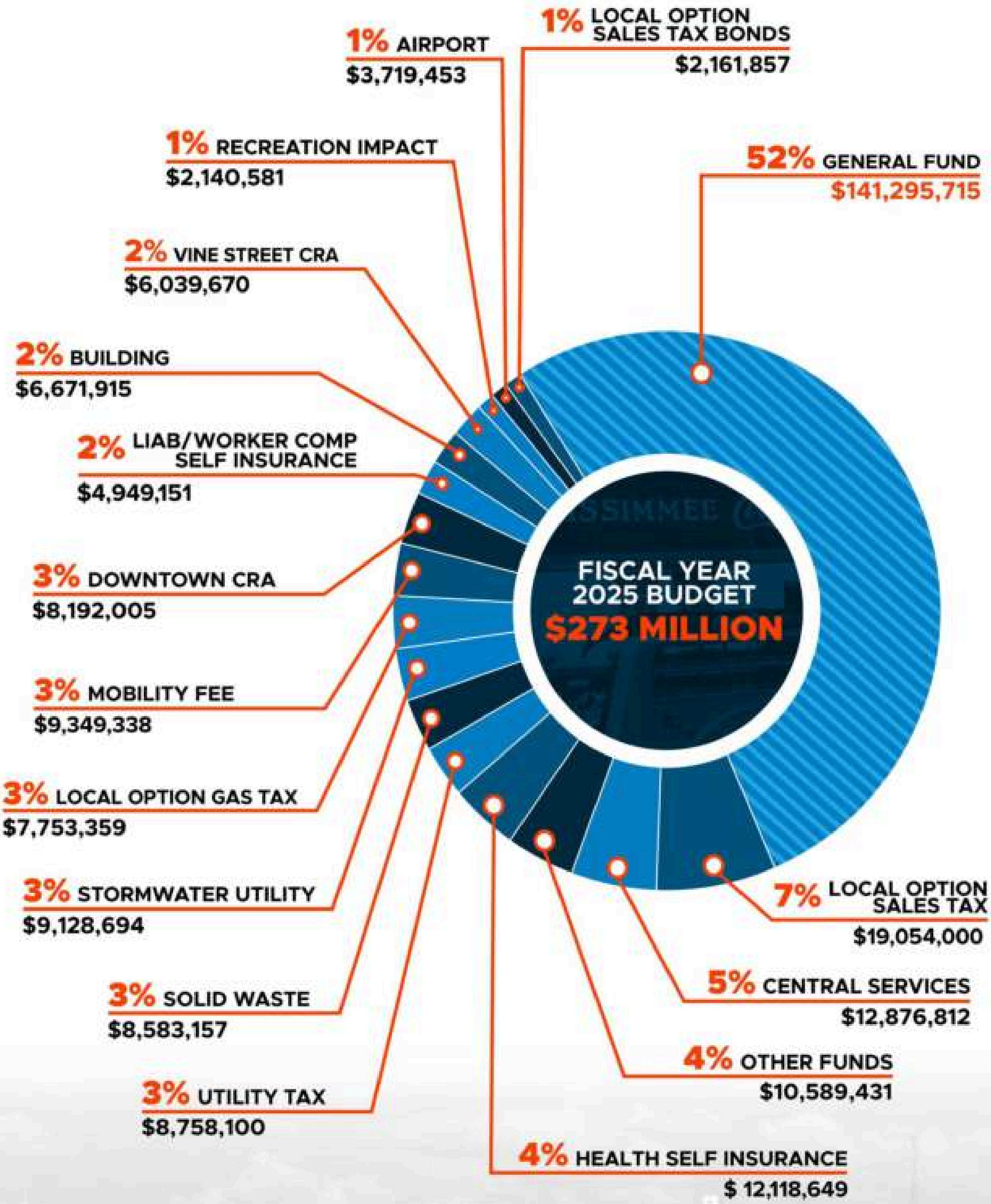
2025 Proposed **Budget**

The Fiscal Year 2025 proposed Budget for the City totals $273 million. The budget establishes the level of funding for each of the City's various funds. The goals and objectives, activities, and service levels for the City's departments are based on the level of funding and controlled by the budget approved and adopted by the City Commission.



TOTAL PROPOSED BUDGET

$273,381,887

GENERAL FUND

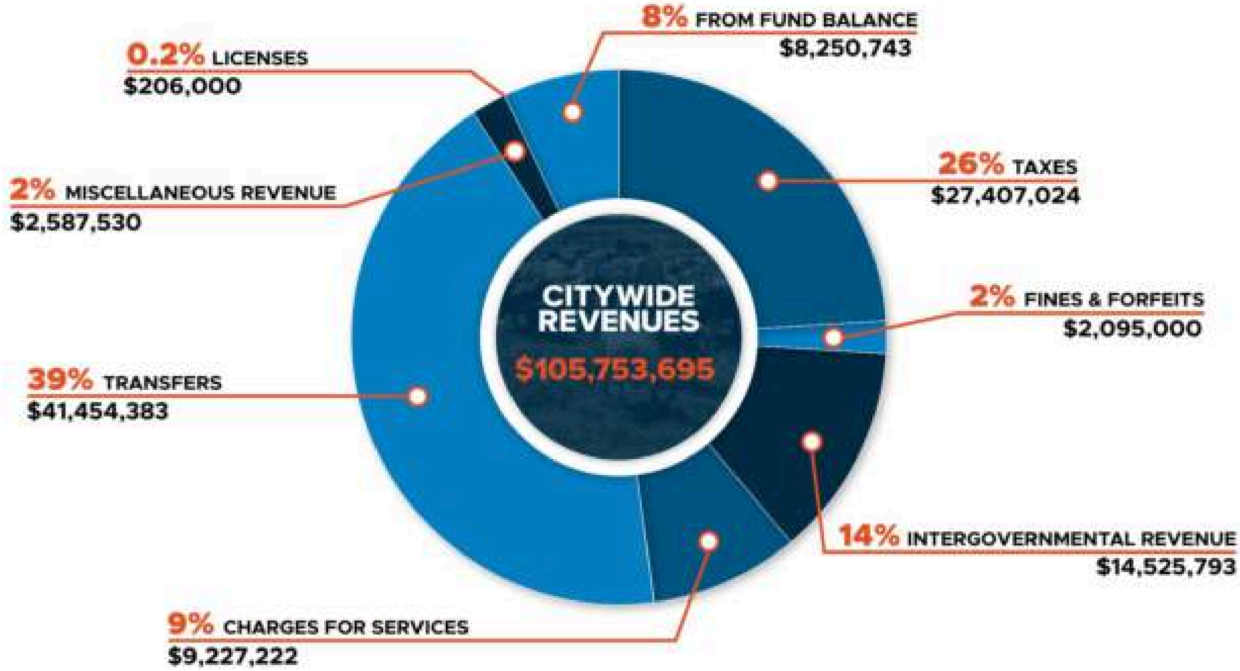
$141,295,715

MILAGE RATE

4.6253

General Fund **Revenues**

The City's General Fund revenue sources are diverse. General fund revenues are mostly comprised of property tax, sales tax, fuel tax, communications tax, business tax, licenses, fees and permits, intergovernmental charges for services, interest, miscellaneous, grants and contributions, and transfers.



5-Year **Millage Rate History**

The adopted City of Kissimmee property tax rate is 4.6253. That amounts to $4.6253 per $1,000 of property value. This rate is the same rate levied for the last 15 years. The average millage in the State of Florida is $4.9268.

General Fund **Expenditures**

The City's General Fund expenditures are used to support police and fire services, public works and engineering, permit issuance, streets and sidewalk maintenance, planning, parks and recreation, library, repair and maintenance, and internal support functions, such as finance, city administration, human resources, and legal services.

POLICE DEPARTMENT

33%

$35,142,281

FIRE DEPARTMENT

22%

$23,794,458

PARKS & RECREATION

10%

$11,067,905

PUBLIC WORKS

7%

$7,806,740

FACILITIES MAINTENANCE

6%

$6,051,799

TRANSFER & BAD DEBT

7%

$7,347,066

INFORMATION TECHNOLOGY

4%

$3,714,152

CITY MANAGER

3%

$2,801,443

DEVELOPMENT SERVICES

2%

$2,525,612

FINANCE

2%

$2,144,310

CITY ATTORNEY

1%

$1,162,912

HUMAN RESOURCES

1%

$1,533,988

CITY COMMISSION

1%

$661,029

$105,753,695

Organizational **Goals**

STRONGER KISSIMMEE ECONOMY WITH MORE QUALITY JOBS

BEST SERVICES & FINANCIALLY SOUND CITY

EFFECTIVE TRANSPORTATION SYSTEM GROWTH

LIVABLE COMMUNITY FOR ALL

VIBRANT DOWNTOWN & BEAUTIFUL LAKEFRONT

WHAT IS A FISCAL YEAR?

A fiscal year is twelve months, starting October 1st through September 30th, to which its annual operating budget applies. At the end of each fiscal year, the City determines its financial position and the results of its operation.

WHAT IS A REVENUE?

Revenues are funds the city receives from various sources such as property taxes, permit fees, grants, stormwater fees, and franchise fees to pay for operating and capital expenses.

WHAT IS AN EXPENDITURE?

An expenditure is a disbursement of operating revenue for goods and services.

WHAT IS A FUND?

A fiscal and accounting entity with a self-balancing set of accounts.

WHAT IS A GENERAL FUND?

The primary fund used by governments for unrestricted revenues.

WHAT IS A PROPERTY TAX?

Property Taxes are levied on both real and personal property according to the property's valuation and tax rate. It is also called an ad valorem tax rate. The tax is determined by multiplying the property's taxable value by the millage rate and then dividing the result by one thousand. The County Tax Collector is responsible for collecting all taxes imposed within the county under the state law.

WHAT IS A MILL OF A TAX?

A mill is a tax rate equal to $1 for each $1,000 of assessed property value. If your home has a taxable value of $100,000 and the millage rate is $1, then you pay $100 in taxes.

HOW DOES PROPERTY TAX GET CALCULATED?

There are three factors for calculating the amount of property tax assessed on your house (or other property): the value of the property, the amount of value that is not subject to taxes (e.g., the homestead exemption), and the tax or millage rate.

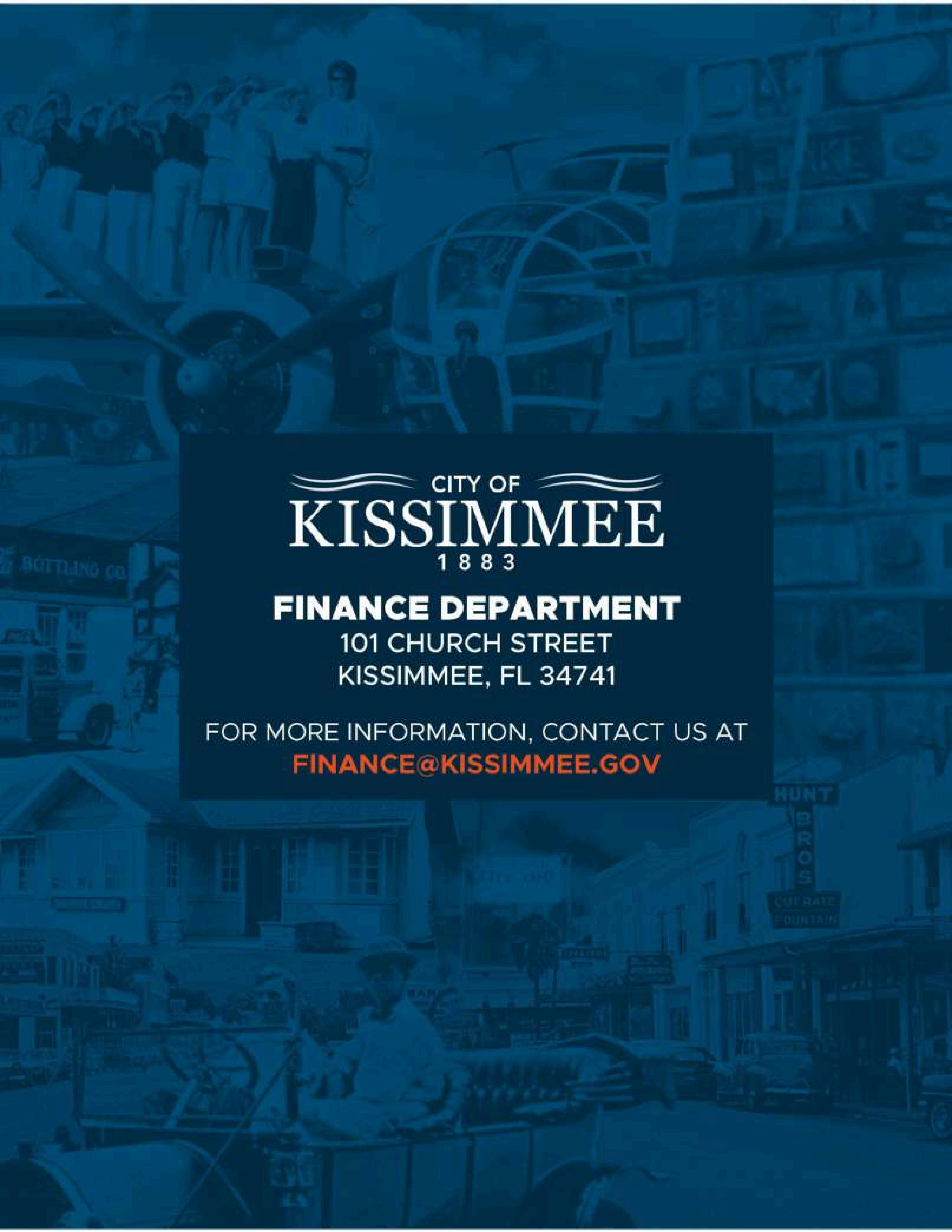
According to State legislation, the County Property Appraiser calculates the value of each property in Osceola County as of January 1 each year. The appropriate exemptions are then applied to reach the final taxable value. The final taxable value is multiplied by the millage rates, i.e., City, County, School Board, and other taxing authorities, to determine the amount of property taxes to be included in the November property tax bill. For example, if your taxable value after taking all exemptions is $100,000 and the millage rate used to determine your taxes is 4.6253, then the City portion of your taxes would be $700.00

The calculation is performed by taking the taxable value ($100,000), dividing by 1,000, and multiplying by the millage rate (4.6523).

$100,000 DIVIDED BY $1,000 = $100
$100 x 4.6253 =$462.53

WHAT IS ROLLED – BACK MILLAGE RATE?

The rolled-back millage rate is the millage rate that, when applied to the tax roll excluding new construction, would provide the same property tax revenue in the adopted budget year as in the current year. It represents the millage level of no tax increase.



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FINANCE DEPARTMENT
101 CHURCH STREET
KISSIMMEE, FL 34741

FOR MORE INFORMATION, CONTACT US AT
FINANCE@KISSIMMEE.GOV

Exhibit “B”
Budget Overview
PowerPoint Presentation FY Budget 2024/2025

Budget Workshop

Fiscal Year 2025

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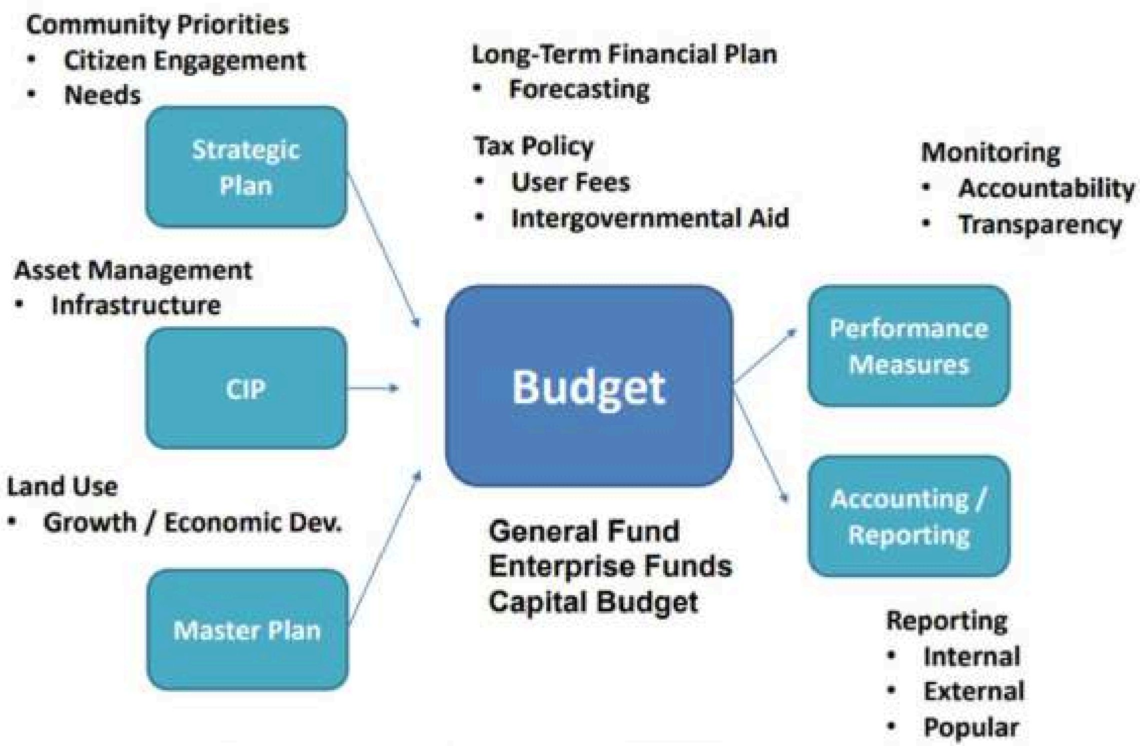
The Budget System



CITY OF KISSIMMEE 1883

It is my privilege to present the Fiscal Year (FY) 2024-25 annual budget for the City of Kissimmee, in accordance with the City Charter. The theme for the FY 2024-25 budget is sustainability centered around the pillars of growth and investment to sustain. Sustainability means meeting the needs of the present without compromising the ability of future generations to meet their own needs. As such, this budget was built with present and future Kissimmeelans in mind. We believe this budget equips us to serve both in alignment with the City's Strategic Plan. Every effort has been made to clearly present funding levels and provide sufficient narrative explanation to document the City's financial plans for the coming year.

We believe that growth and investment are prerequisites to sustainability. Actions we take today, affect tomorrow. Inactions we take today, affect beyond tomorrow. Doing nothing often results in a costlier alternative.

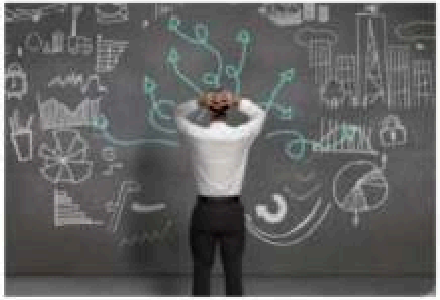
CITY OF KISSIMMEE 1883

Budget Basics

- The General Fund is the primary operating fund to pay for basic City services, programs, and the daily operations of the City
- The City has over 120 different funds
- There are separate funds for standalone businesses like solid waste, stormwater, airport, central services
- There are separate funds for special revenue like sales tax, gas tax and building

Millage Highlights

- Recommended Operating millage 4.6253
- Rollback 4.3010, roughly $1.8M less
- $184,052,728 in new taxable value
- $688,216,369 in reassessments and new taxable value
- Certified value of $6,284,661,173



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Ad Valorem Highlights

AD VALOREM MILLAGE RATE 4.6253 NO INCREASE

Average millage of cities in State of Florida is 4.9275

Average millage of cities with 25,000 to 99,999 residents is over 5 mills

Average millage of cities with >100,000 residents is over 6 mills

PROPERTY VALUES INCREASED BY 10.8%

ONE MILL GENERATES $6.3M

CRA VALUES INCREASED BY 16.6%

ALL FUNDS

TOTAL BUDGETS SUMMARY

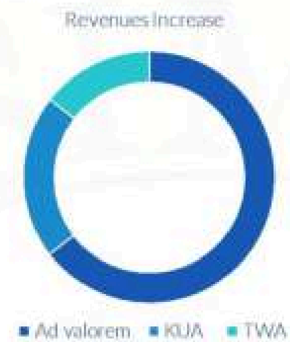
FUND NAME	ACTUAL FY 2023	ADJUSTED BUDGET FY 2024	ESTIMATE FY 2024	BUDGET FY 2025
General Fund	$ 137,944,918	$ 136,946,629	$ 147,673,134	$ 141,295,715
Stormwater Utility	12,228,791	14,374,144	14,490,040	9,128,694
Solid Waste	8,953,967	10,315,996	9,616,435	8,583,157
Airport	1,743,686	2,354,881	2,346,693	3,719,453
Central Services	12,179,575	16,450,728	15,070,512	12,876,812
Local Option Sales Tax	26,636,718	32,442,986	31,867,226	19,054,000
Mobility Fee	12,843,750	9,780,266	13,434,148	9,349,338
Local Option Gas Tax	9,539,020	9,508,654	10,317,914	7,753,359
Paving Assessment	13,364	10,000	10,000	10,000
Building	11,938,088.00	12,168,339.00	12,615,792.00	6,671,915
Downtown Community Redevelopment	8,398,559.00	8,078,949.00	9,603,441.00	8,192,005
Vine Street Community Redevelopment	4,395,886.00	6,039,879.00	6,713,480.00	6,039,670
CDBG Entitlement Grants	-	-	-	896,880
SHIP Grants	-	-	-	628,202
HOME Grants	-	-	-	325,641
Recreation Impact	4,221,580	4,241,180	4,066,287	2,140,581
Police 2nd Dollar Assessment	70,403	59,356	59,356	49,651
Victims of Crime Act Grant	306,698	324,092	324,092	340,296
State Law Enforcement Trust	432,090	369,908	415,299	391,999
Federal Law Enforcement Trust	53,270	47,025	53,270	53,770
School Crossing Guard Trust	50,096	3,650	25,799	3,650
Treasury Forfeiture	312,737	79,434	312,739	313,239
Charter School	9,951,368	8,841,976	8,841,976	0
Utility Tax	8,430,013	8,499,189	8,536,079	8,758,100
Local Option Sales Tax Bonds	3,110,616	2,165,023	2,165,023	2,161,857
Local Option Gas Tax Notes	287,028	290,841	290,841	294,385
Community Redevelopment Notes	295,249	313,928	313,928	331,903
Series 2016/2022 Bonds	7,424,590	3,698,661	6,943,741	6,949,815
Liab/Workers Comp Self Insurance	5,989,477	5,924,197	5,590,098	4,949,151
Health Self Insurance	11,095,764	12,194,697	12,074,073	12,118,649
TOTAL BUDGET	**298,847,301**	**305,524,608**	**323,771,416**	**273,381,887**

CITY OF KISSIMMEE 1883

General Fund Highlights

- Total revenue for General Fund is projected to be $97,502,952

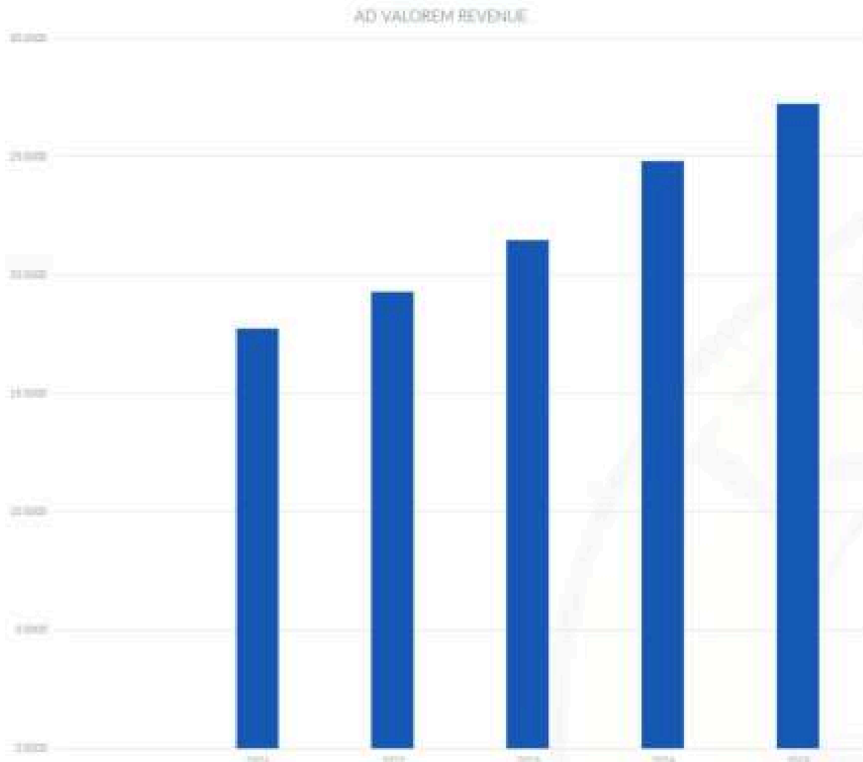
- Budgeted revenues increase of 10.9%

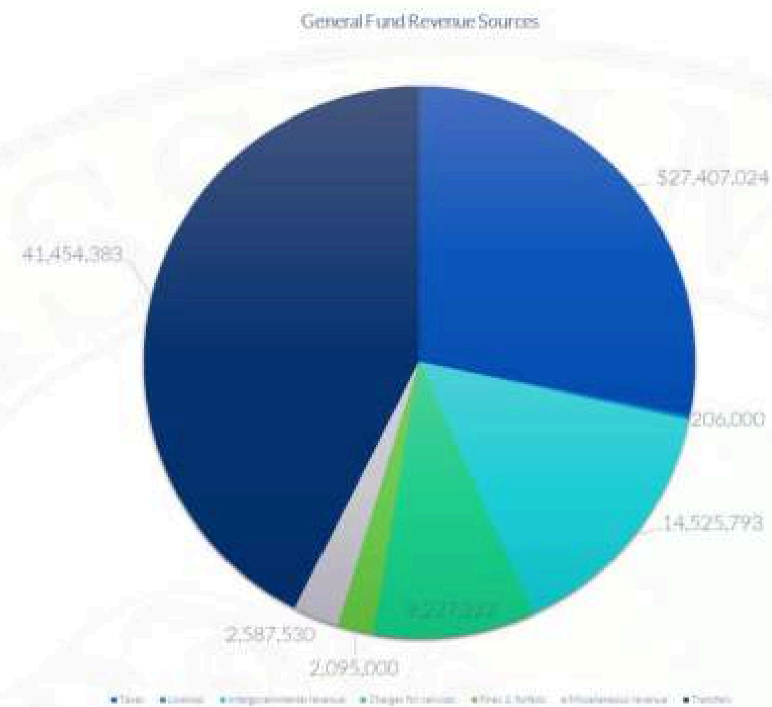


- Largest sources of revenue: KUA, Ad valorem, State revenues, Utility taxes, TWA

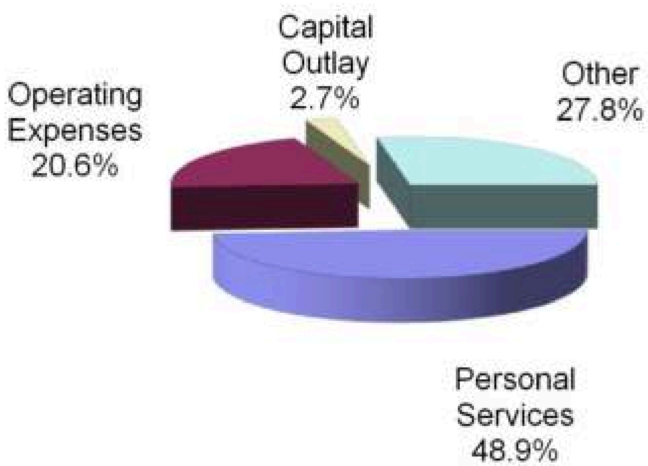
CITY OF KISSIMMEE 1883

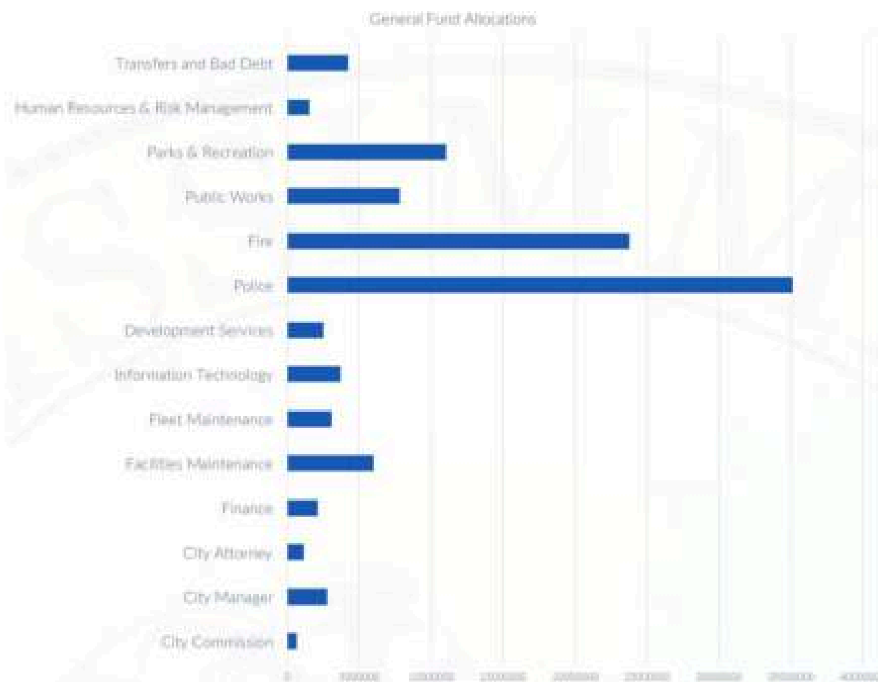
Revenue Highlights





General Fund Allocations





Fund Highlights

- Stormwater Utility, over $6.9M in revenues generated
  - $10.46 per month per ERU
  - One stormwater equipment operator and one stormwater inspector recommended
- Solid Waste Utility, nearly $7.6M in revenues generated
  - $23.96 per month per residence
  - Adjusted for CPI and fuel costs
  - No new positions
  - Utilizing reserves
- Airport Fund, over $1.9M in revenues generated
  - Leases reevaluated
  - Reserves
  - No new positions
- Central Services Fund, nearly $12.8M in transfers
  - Elevated costs
  - One fleet mechanic recommended

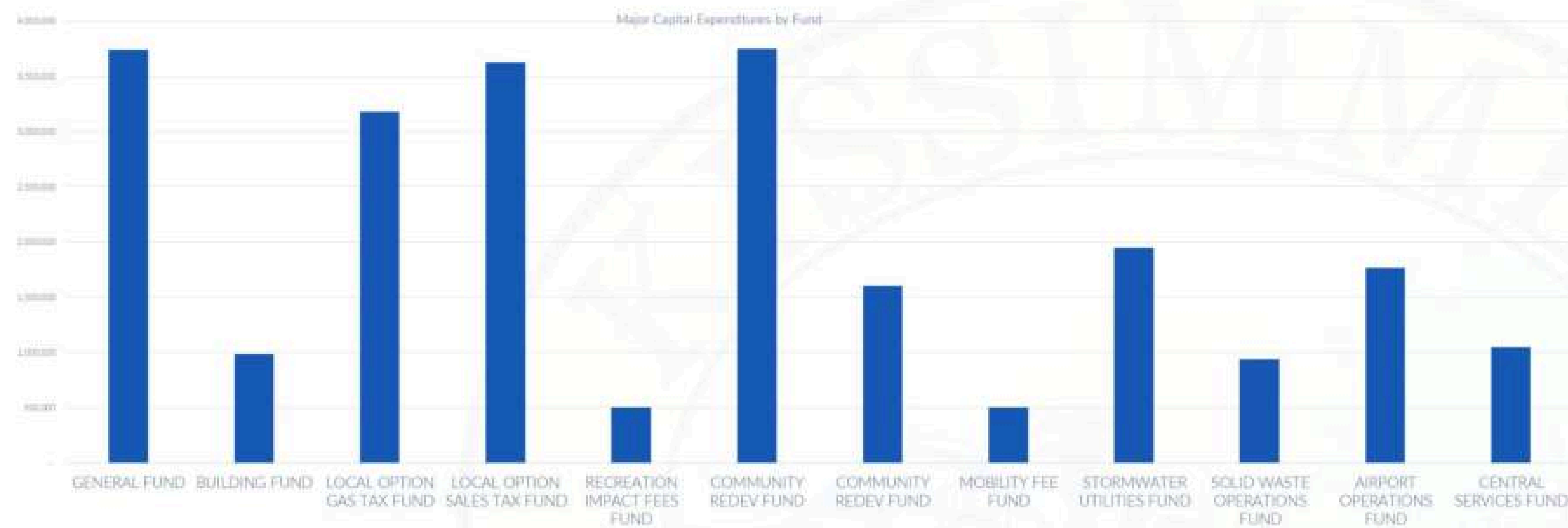
CITY OF KISSIMMEE 1883

Other Fund Highlights

- Local Option Sales Tax, over $12.3M in revenue generated
- Local Option Gas Tax, $3.5M in revenue generated
- Mobility Fee
- Rec Impact Fee
- Building Fund
- CRAs
- Liability/WC Fund
- Health Insurance Fund

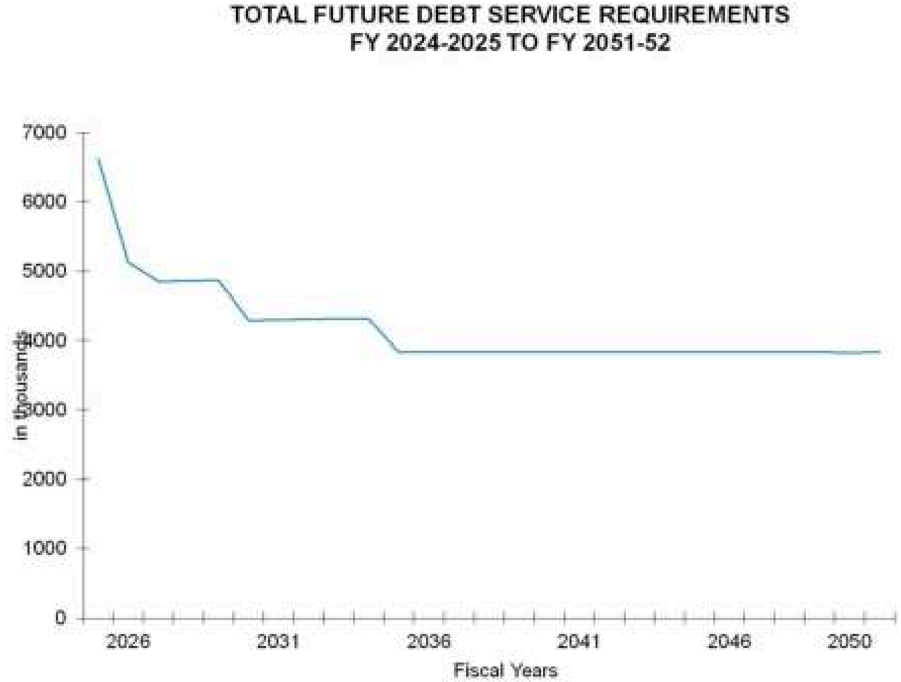
Capital Overview

- Total Capital Expenditures FY 25 $23M



Debt Overview

- Bond rating 'AA+'
- Multiple borrowings expected to retire soon and stabilize
- Outstanding annual debt service payment per capita: $79.91
- Outstanding long-term debt per capita: $810.64



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Grant Overview

- Total Grant Revenue FY 23 $18M

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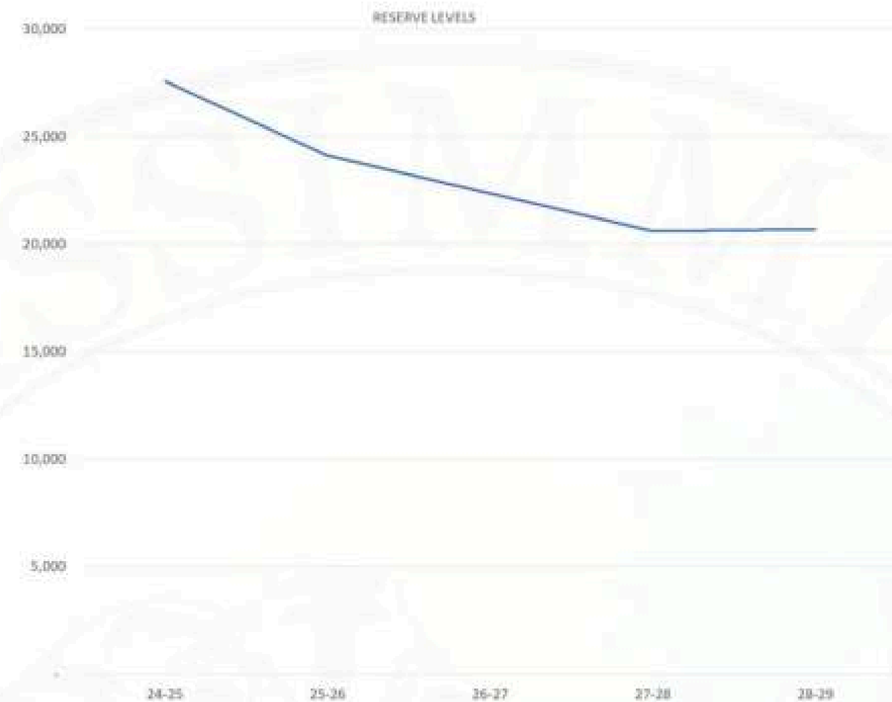
Pension Overview

Police/Fire/General Historical UAAL & Funded Ratio						
Valuation Date	Police UAAL	Police Funded %	Fire UAAL	Fire Funded %	General UAAL (City employees only)	General Funded %
2023	15,635,843	84.6	14,443,046	78.5	15,895,791	78.6
2022	12,207,586	87.1	14,729,836	77.4	14,896,863	76.4
2021	11,204,679	86.9	12,310,908	78.5	11,093,454	89.1

CITY OF KISSIMMEE 1883

Reserve Overview

- Projected to utilize approximately $8.2M of reserves
- 33% reserves at the end of FY 25, 20% reserves at the end of FY 29
- 5 Year Plan



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FY25 Economic Assumptions

• Inflation	2.5 % - 4%
• Tourism	modest growth
• Sales tax	modest growth
• Investment income	modest growth
• External factors	elevated risk
• Benefit costs	high growth

CITY OF KISSIMMEE 1883

Thanks!

@CityofKissimmee

Exhibit “C”
General Discussion
PowerPoint Presentation:
Commissioner’s Pension v. City Contributions

CITY OF KISSIMMEE

Budget workshop July 23, 2024

Proposed Pension for Elected Officers

CITY OF KISSIMMEE 1883

Proposed Pension Contribution Structure for Elected Officials

- **City contribution**
  - Last year the City Contributed a minimum of 21.5% of the commissioner's salary.

- **Commissioners**
  - 3.69% of Salary for Tier 1
  - 7.5% of Salary for Tier 2

- **Retirement Eligibility**
  - Commissioners must be at least partially vested (5 years).
  - Must be at least 60 years old to collect the pension.
  - Must have accrued a minimum of 10 years of credited service.

Partial Vesting Schedule

Vesting starts after 5 years of service, with increasing percentages based on years of service:

- 5 years but less than 6 years: 25%
- 6 years but less than 7 years: 40%
- 7 years but less than 8 years: 55%
- 8 years but less than 9 years: 70%
- 9 years but less than 10 years: 85%
- 10 or more years: 100%

CITY OF KISSIMMEE 1883

Example Contributions: Tier 1

Fiscal Year	Pensionable Pay	Tier 1 - 3.69% Commissioner Contributions	21.5% City Contribution
2021	31,500.00	1,162.35	6,772.50
2022	32,000.00	1,180.80	6,880.00
2023	32,500.00	1,199.25	6,987.50
2024	33,000.00	1,217.70	7,095.00
2025	33,500.00	1,236.15	7,202.50
2026	34,000.00	1,254.60	7,310.00
2027	34,500.00	1,273.05	7,417.50
2028	35,000.00	1,291.50	7,525.00
	Total Contributions	**9,815.40**	**57,190.00**

CITY OF KISSIMMEE 1883

Example Contributions: Tier 2

Fiscal Year	Pensionable Pay	Tier 2 - 7.5% Commissioner Contributions	21.5% City Contribution
2021	31,500.00	2,362.50	6,772.50
2022	32,000.00	2,400.00	6,880.00
2023	32,500.00	2,437.50	6,987.50
2024	33,000.00	2,475.00	7,095.00
2025	33,500.00	2,512.50	7,202.50
2026	34,000.00	2,550.00	7,310.00
2027	34,500.00	2,587.50	7,417.50
2028	35,000.00	2,625.00	7,525.00
	Total Contributions	**19,950.00**	**57,190.00**

Example Benefit Calculation

Commissioner vested for 8 years:

- Retirement age of 60
- Estimated benefit:
  - Tier 1 (2.8%): $514.27
  - Tier 2 (3.0%): $546.00

- The retirement benefit estimator provides insights into the proposed retirement benefits for elected officials under a new ordinance. (HR Intranet)

2024 Retirement Plan Contribution Limits for 457(b) & 401(a)

The following chart compares the contribution limits for 457(b) plans and 401(a) plans. Each plan has separate contribution limits.

	457(b) Plans	401(a) Plans
• Maximum Annual Contribution	$23,000	$69,000*
• "Age 50 Catch-Up" Limit	$7,500	None

Maximum not to exceed the total annual salary.

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Notable Differences

457(b) Deferred Compensation Optional Employee Contributions

- No 10% Tax Penalty for Early Withdraw before age 59½.

401(a) Defined Contribution Employer Sponsored

- 10% early-withdrawal penalty before age 59½.
- City contributions are discretionary.
  - City contributions are pre-tax dollars.
  - City sets vesting schedule for the city contributions.

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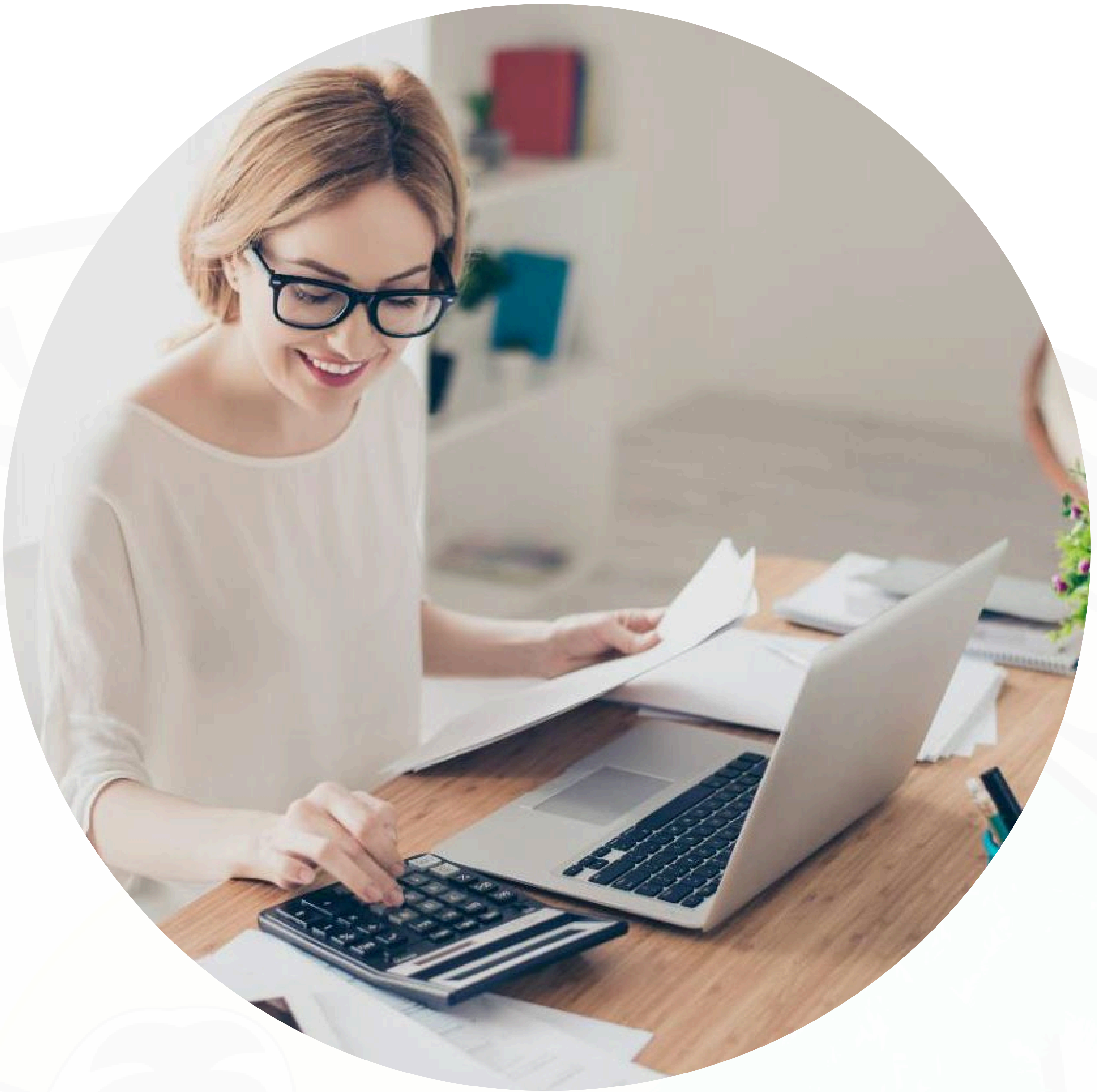
Next Steps

- Direction and Funding
- Prepare Ordinance Change for Pension; or
- Set up 401(a) plan for elected officials
- Complete Onboarding Paperwork



CITY OF KISSIMMEE 1883

Exhibit "D"
General Discussion
Current Charter Language: Commissioner's Salaries

Section 6. - Compensation of commissioners.

(a) Each member of the city commission shall receive as an annual salary the amount indicated below, based upon the population of the City of Kissimmee. In addition, to the base salary shown, compensation shall be made for population increments over the minimum for each population group at a rate of $0.40 per resident.

Population Group	City Population Range		Base Salary
	Minimum	Maximum	
A	30,000	39,999	$12,000.00
B	40,000	49,999	$16,000.00
C	50,000	59,999	$20,000.00
D	60,000	69,999	$24,000.00
E	70,000	79,999	$28,000.00
F	80,000	89,999	$32,000.00
G	90,000	99,999	$36,000.00

(b) In addition to the annual salary amount calculated in subsection (a) above, the mayor-commissioner shall receive one thousand two hundred dollars ($1,200.00) annually and the vice-mayor shall receive one hundred and eighty dollars ($180.00) annually, prorated monthly.

(c) Annual compensation shall be automatically adjusted within thirty (30) days after receipt of the annual population figures, as compiled by the Executive Office of the Governor, in accordance with the Florida Statutes § 186.901. This annual compensation shall be prorated over the subsequent twelve-month period.

(d) Definition. "Population" means the population according to the latest annual determination of population of local governments produced by the Florida Department of Administration in accordance with Florida Statutes § 186.901.

(e)

The formula set out in subsections (a) through (d) shall not be amended except after passage of a duly authorized ordinance and submission for referendum as authorized under Florida Statutes chapter 166.

(Ord. No. 896, § 1, 11-1-1977; Ord. No. 926, § 1, 5-30-1978; Ord. No. 930, §§ 1—5, 7-18-1978; Ord. No. 1857, § 5, 10-6-1992; Ord. No. 2753, § 1, 4-20-2010/8-24-2010)

Exhibit “E”
General Discussion
PowerPoint Presentation: Employee Childcare

Employee Childcare Survey

Employee Childcare Survey April 2024

- Aim: To understand childcare needs and preferences.
- Survey overview: 680 responses (87%) from approximately 780 city employees.

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Survey Key Findings

Interest in City-Provided Information on Childcare Programs available in the community:

- 33% or 220 out of 669 respondents expressed interest.

How much are you able to pay per week for Childcare:

- 4% receive help from the Early Learning Coalition or other service.
- 75% pay $1 - $300 per week for childcare services.
- 18% pay $301 - $600 per week for childcare services.

Top 6 Important Factors for Parents:

- Cost
- Reliability
- Security & Safety
- Work Schedules
- Quality
- Location

Key Findings

Children’s Age Ranges Based on Responses	Results
Infant (0-2 years old)	72
Toddler (3-5 years old)	83
Elementary school (6-11 years old)	138
Middle School (12-14 years old)	91
Not Applicable	406

HR Recommendations

Recommendations

Additional resources available to our employees

- Cigna Employee Assistance Program
  Has Referral Services for child and elder care
  https://my.cigna.com/web/secure/consumer/coverage/eap
- Child Care Resource and Referral Service
  https://www.elcosceola.org/child-care-resources-referrals

Implement Dependent Flexible Spending Accounts (FSA)

Fee Structure:

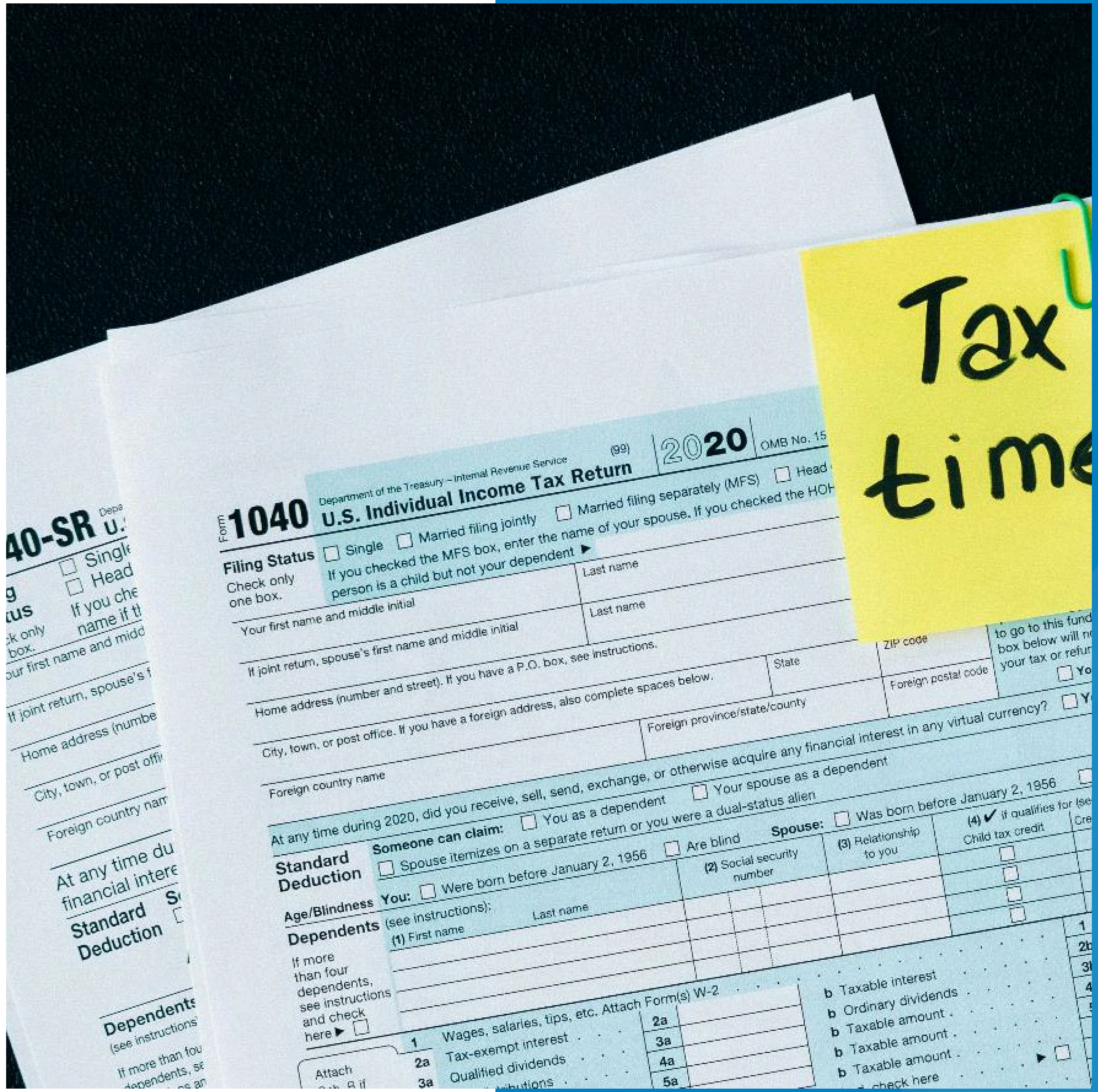
- $3.95 per participant per month with a guaranteed amount per month.

Tax Savings:

- Significant tax savings 10-30% on expenses for the care of qualified dependents.

Pre-tax Dollars:

- Money set aside in the account is in pre-tax dollars, reducing taxable income.



Example Savings

- For a 15% federal tax bracket, save $150 in federal taxes for every $1,000 spent on dependent care.
- Approximately 21.35% savings on every dollar contributed to an FSA. Combined savings include employee share of FICA taxes (7.65%) and average income tax rate (13.6% to 21.25%).

CITY OF KISSIMMEE 1883

Next Steps

- HR has evaluated multiple companies providing FSA services.
- Direction for potential implementation.

Thanks!

@CityofKissimmee

Exhibit “F”
Conclusion
Citizen Email

From:	Mike Steigerwald
To:	Tameara Crespo
Subject:	Fwd: Public Comment on Budget Proposal
Date:	Tuesday, July 23, 2024 7:40:19 AM

Please include the finance directors response as well.

Sent from my iPad

Begin forwarded message:

From: Tavia Ritchie <Tavia.Ritchie@kissimmee.gov>
Date: July 23, 2024 at 6:50:11 AM EDT
To: Mike Steigerwald <MIKE.STEIGERWALD@kissimmee.gov>
Subject: RE: Public Comment on Budget Proposal

The Government Finance Officers Association (GFOA) has approximately 200 Best Practice (BP) and advisory statements and these are continuously evolving as technology changes and new accounting guidance is issued. We've taken particular interest in making sure the City of Kissimmee aligns itself with the BPs where feasible. Of the nearly 200 BPs, only 28 of those best practices are geared specifically towards the budget. The Structurally Balanced Budget BP is a budget best practice; however, the Capital Asset Management BP is not a budget best practice. Furthermore, the GFOA Distinguished Budget Award stretches its 28 best practices into 83 criteria for the award. Our budget meets all of the criteria. However, there is always room for improvement.

In addition, the structurally balanced budget best practice is not advocating that recurring revenues be formally allocated or "earmarked" to recurring expenditures, but rather is advocating that the budget presentation provide transparency as to whether recurring revenues and recurring expenditures are balanced. Our budget presentation gives an overview of reserves and their relationship to the budget. This is also outlined in the budget message on starting on page 7 and in the Reserves Balance schedules section starting on page 27. Our budget process encompasses a five year outlook to take into account long term financial sustainability to ensure we properly account for future expenses. Our forecasting includes all expenditure categories: personnel, operating, capital, reserves and debt.

The capital asset management policy is geared towards inventory. It is not the same as our capital improvement plan. Both provide useful information; however, the best practice is referring to inventory not a full capital asset inventory listing displayed within our capital improvement plan. For example, our City engineers keep a detailed inventory listing of our roads and this is how our paving gets prioritized and funded annually. This is accomplished separately, not alongside the CIP.

We must be careful not to inundate our readers with too much information. Currently, the budget book is over 300 pages long. We try to capture all of GFOA's recommendations in a manner that is plain yet captivating to keep the interest of our readers, citizens, and external stakeholders. With so many areas, to touch on it's easy that some can be missed or unclear altogether upon the first, second, and even third reading.

From: Mike Steigerwald <MIKE.STEIGERWALD@kissimmee.gov>
Sent: Monday, July 22, 2024 3:06 PM
To: Tavia Ritchie <Tavia.Ritchie@kissimmee.gov>
Subject: Fwd: Public Comment on Budget Proposal

Thoughts?

Begin forwarded message:

> **From:** Alex Alemi <alexalemi@gmail.com>
> **Date:** July 22, 2024 at 2:51:58 PM EDT
> **To:** Linda Hansell <linda.hansell@kissimmee.gov>, Mike Steigerwald <mike.steigerwald@kissimmee.gov>
> **Subject: Public Comment on Budget Proposal**
>
> **EXTERNAL EMAIL:** This email originated from outside of the organization. DO NOT REPLY, CLICK LINKS, or OPEN ATTACHMENTS unless you recognize the sender and know the content is safe
>
> Hi, I wanted to share some comments on the Kissimmee city budget since I am unable to attend tomorrow's budget workshop.
>
> I am very happy to see the city emphasize financial sustainability in this year's budget. The city's commitment to financial excellence was recently recognized by the Government Finance Officers Associations (GFOA) when Kissimme was awarded the Triple Crown. The city should be proud of this accomplishment. Kissimmee was one of only three municipalities to receive this award for its transparent and distinguished financial documents this year.
>
> I would love to see Kissimmee continue to strive for excellence by embracing GFOA best practices I did not see reflected in this year's budget. In particular, the "Achieving A Structurally Balanced Budget" and "Capital Asset Management" best practices. As the GFOA points out, currently accepted balanced budget practices may not be enough to ensure financial sustainability. These best practices help to fill in some of

the gaps.

One shortcoming in current budget practices is that resources and expenditures are not broken down into recurring and non-recurring sources. This makes it difficult to properly account for predictable future expenses associated with recurring maintenance liabilities. The practices outlined in the above proposals encourage cities to break down resources and expenditures into recurring and non-recurring sources in their annual budgets. And, furthermore, to include in their capital improvement plan a full inventory of the city's assets, including renewal and replacement life cycles and replacement costs. A "structurally balanced budget" is one in which recurring costs are balanced by recurring revenues. I would love Kissimmee's FY25 proposed budget to report on structural balancing and for the five year capital improvement plan to include a full capital asset report. The GFOA also recommends that the city provides a plain language report summarizing its capital assets, including maintenance liabilities, to elected officials and the public at least once every three years. This can help increase transparency and guide future decisions on taking on long term liabilities.

To illustrate how these practices could be of use to the city, let us consider the maintenance liability inherent in the city's paved roads. In its performers indications, the FY25 lists that the city currently maintains 166 miles of paved roads. It does not report on the service lifetime and replacement cost for those roads. I used FDOT's Cost Per Mile and Service Life reports to estimate these costs. FDOT indicates that it costs about $850k/mile to mill and resurface a (two lane urban) road and that this has to be done every 12 to 20 years. Taken together, these numbers indicate that the average cost to maintain Kissimmee's current road network is at least $7 million per year. Meanwhile, the FY25 budget (pg. 260) seems to have allocated only $900k from the local option gas tax for materials and supplies to maintain these roads. I believe this disparity should be looked into. I would love to see a more detailed analysis from the city on long term maintenance liabilities, not only for roads, but for all of the city's assets, such as stormwater pipes, ditches, sidewalks, parks and public lands, vehicles, etc. As the GFOA best practices highlight, the current reporting methods make this type of analysis extremely difficult and therefore can obscure predictable future shortfalls due to recurring maintenance costs.

I am proud of Kissimme's commitment to financial sustainability and transparency in financial reporting. I believe that adopting the Structural Balanced Budget and Capital Assets management best practices will help the city fulfill these goals and help ensure the city's long term financial solvency.

Best Regards,

Alex Alemi
[AlexAlemi@gmail.com]