

# CITY COUNCIL WORKSHOP MINUTES

AUGUST 3, 2010

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Vice Mayor Trudy Block called the workshop to order at 6:00 p.m.

## ROLL CALL

Mayor LaCascia, Vice Mayor Block, Councilor Adorno, Councilor Blethen, Councilor Kimsey and City Clerk Jackson were present.

Mayor LaCascia advised he had a question regarding education reimbursement (page 20) from the Budget Workshop held on July 26, 2010. Mayor LaCascia wanted to know if there were policies in place for the education reimbursement, and if it is open to all employees and if it is tied into anything. Pam Lawson advised at the last meeting Mary Ellin Barrett let Council know there were policies in place; she is currently utilizing the education reimbursement program. Councilor Adorno also advised the City has policies in place for this program. Vice Mayor Block commented it has to benefit the City, and Councilor Kimsey asked if has to be a need for expertise.

Mayor LaCascia then brought up the Revenue and Expenditure Projections – if there is money at the end of September, where does that money go if the City contracts with FGUA; Mayor LaCascia was advised the City keeps that money, and if the City contracts with FGUA, the City will have money to begin with. Vice Mayor Block advised FGUA has decided not to talk with the City until the meeting with Polk County; she hasn't seen the contract as of yet, but she will go over it in detail before anything is decided in a public meeting. Councilor Blethen asked if the City has done anything for the City to maintain the utilities themselves. Vice Mayor Block advised she is also looking at other companies at the request from residents. A question was raised regarding bid specifications; Vice Mayor Block advised the problem we have is that we are in a crisis, and we have been discussing this for some time. Vice Mayor Block advised she attended a City Manager's Meeting, and what are crippling most of them are the Police and Fire Pensions. Vice Mayor Block advised there will be a presentation made, and it will be up to Council. Mayor LaCascia advised so many things come together at once; the budget has an impact on everything we are doing. The Mayor would like to see an apples-to-apples quote. Councilor Blethen would like to see them break out the components. Councilor

Kimsey asked what they would be doing; Vice Mayor Block advised they would do meter reading and billing, the wastewater collection system, water distribution, the water plants and wastewater plants, the spray field and will keep up and adhere to State and Federal Regulations; maintenance will be included. Vice Mayor Block also advised the City will pay for parts and capital investments, and if a Design Engineer is brought in, we would have to pay for that. After brief discussion, Vice Mayor Block went into review of the remaining budget.

### **FY 2011 Proposed Budget (finish of review – Water)**

- **Charges for Services** – this includes the increase in water rates
- **WAC and SAC** – Vice Mayor Block advised we plan to follow-up for those that haven't paid. The City missed having it put on the property tax bills this year; however, a letter will go out. Mayor LaCascia advised at the last meeting Council agreed to put the WAC and SAC numbers back into the FY 2011 Budget at the last workshop. Pam Lawson advised in the projection she took what we were going to budget so far; there will be more to transfer, and the WAC and SAC are not in those figures. After discussion, Mayor LaCascia commented that whatever the balance is going to be, it will be more. Gene Kniffin commented if the City is going to collect past year WAC and SAC, the City should be getting payments in.
- **Water Administration** – Vice Mayor Block advised if the City should outsource the utilities, we will have to redo the expenditures; we are doing the budget with the assumption the City is keeping utilities in-house. This year the salaries are broken out in water and sewer. Vice Mayor Block advised capital expenditures have been stripped. Mayor LaCascia commented he thought FGUA said they could save \$250,000. Pam Lawson advised this Department carries the expense of the water fund transferring \$104,601 into the General Fund. There is one vacancy under Water Administration. Vice Mayor Block advised this has no relevance to FGUA; this budget is as if the City is operating utilities.
- **Mt. Olive WTP Operations** – there is money for tank cleaning (line item 460). As an example Gene Kniffin advised that is if we do it, it would be \$21,000; however, with FGUA it could be \$15,000. We have to wait on the contract. Gene advised we would have to pay \$15,000 above the contract. FGUA has an engineer on staff all the time. Mayor LaCascia advised he would be looking at a special meeting for comparisons. There is \$118,000 for a generator.

- **Commonwealth WTP Operations** – Gene Kniffin advised there is money included in this budget for tank inspections at Commonwealth and the Matt Williams; these are estimates of the repairs, but one tank is smaller. Councilor Kimsey asked about the \$118,000 for the generator; Gene advised DEP is requiring the City to put in a generator. Councilor Kimsey asked what size generator it will take; Gene advised he couldn't remember. Councilor Blethen asked about the amperage and voltage requirement, and Councilor Kimsey asked how Gene came up with the \$118,000; Gene advised he got some prices, but he doesn't remember the KW. At this time Councilor Blethen asked for information on the generators (what we need).
- **V Matt Williams WWTP** – Gene Kniffin advised this tank has to be inspected, but it should be in better shape. Councilor Blethen asked how often they have to be inspected; Gene advised every three years.
- **Water Operations** – Vice Mayor Block advised we are working on a grant.

### Other

- Pam Lawson advised she is still working on balancing the Sewer Fund. Vice Mayor Block commented we can create a line item in anticipation of restructuring; however, we cannot submit an unbalanced budget. Some discussion took place regarding the budget and it not balancing.
- Pam Lawson discussed the cash carry-over from FY 2010 to FY 2011; we need to be prepared with budget.
- Vice Mayor Block advised if we didn't have the enormous debt, we would be in a great position. We have to restructure debt. Councilor Kimsey commented sewer doesn't pay for itself. Vice Mayor Block commented we have looked everywhere and are now looking at grants. Councilor Kimsey asked Vice Mayor Block if she ever anticipates at any time that sewer will pay for itself. Vice Mayor Block advised some of it will come with growth, and if the Mt. Olive Plant is shut down, it will cost less. Councilor Blethen asked about the cost to send the wastewater to Cardinal Hill; Gene advised he has an estimate of \$1,000,000, but we will not know until a specification sheet is done. Councilor Kimsey asked where the City is going to get growth from. Gene Kniffin advised if the City does this we will not need growth; the cost will go down to operate one plant versus two plants (approximately \$130,000 to \$140,000 a year). It will take anywhere from 18 months to two years to shut down and transfer to the other plant. Councilor Adorno would like that scenario in their presentation. Gene also commented the other savings is if we don't transfer over and continue to let FGUA operate.

- Councilor Blethen would like to review the Engineer Study and look at all of the maps; Gene advised he has a set of drawings. Councilor Blethen would like to have a meeting to go over all of this. Some discussion followed regarding who the Engineers who did the planning and design and the location of the proposed plant and the debt that was incurred.
- At this time Councilor Adorno commented this is a proposed budget and not confirmed until Council votes on it. Vice Mayor Block advised it has to be balanced and will be presented to Council for approval. Councilor Adorno questioned the budget as it deals with employee positions going from full-time to part-time and relating to the proposed budget. Vice Mayor Block advised an employees status can change at any time. Councilor Adorno questioned the position held by Kathy Delp going from full-time to part-time; she thought it would take effect October 1<sup>st</sup>. It was stated Council should not be talking about personnel matters; at the beginning of the year there is a payroll amount for employees until October. Vice Mayor Block advised we need to make drastic cuts; there were three things she stated needed to be done: 1) raise rates 2) restructuring of debt and 3) cut costs where you can. Vice Mayor Block advised she did research on a lot of cities, looked at contracts and looked at employees. This is not based on the budget. Pam Lawson advised it is based on today's finances. Gene Kniffin doesn't feel it is right to lay people off and then budget for reimbursement of education. Pam Lawson commented that every employee has a right to ask their Supervisor about education reimbursement, and the Supervisor asks the City Manager. Pam asked about this last year and it could not be budgeted; however, this year, it was able to be budgeted. Mayor LaCascia advised the point is well taken. Councilor Kimsey asked about many employees the City currently has; he was advised 13 or 14; he also mentioned the City is paying for everyone's health insurance; he doesn't care what other cities are doing. At this time Mayor LaCascia asked what other jobs Code Enforcement is doing and Kathy Delp approached the Council and handed out a memo to Council regarding her position. After some discussion, Vice Mayor Block advised this is not a City Council matter; it is her decision as Acting City Manager. She advised she would speak to Kathy privately.
- Vice Mayor Block advised Council at the last meeting the millage rate was shown as 9.6; however, in reality it is 9.52, which will result in \$5,000 less in Ad Valorem than what was proposed.

- We are trying to clear everything in the Audit. The Sewer Fund owes the Water Fund money; however, the Sewer Fund will not be able to pay that back and Pam Lawson advised she will be asking the City to forgive that debt so that we can write it off of the books as a “due to.” Pam Lawson advised she will be presenting a budget amendment after year-end to the Council; she is trying to get things “cleaned up.” Pam advised this past December (2009) the City did not have enough money to cover the SunTrust Debt Service Payment, and the previous City Manager authorized a transfer from the Water Fund to the Sewer Fund to make that payment; that is the payment the Sewer Fund will not be able to pay back to the Water Fund.

A five minute recess was taken, and then the workshop was reconvened.

Mayor LaCascia explained the Engagement Letter from Nabors, Giblin & Nickerson regarding the Future Capital Assessment Programs. This is a program that can be done; however, the first step is getting someone who can do the necessary work. There will be Phase I and Phase II of this Program; the engagement letter will hire Nabors, Giblin & Nickerson to put together the Capital Assessment Program; the Engagement Letter is to get them started. Vice Mayor Block asked if the Mayor knew what the full cost would be; he advised it is his understanding it will be anywhere from \$25,000 to \$35,000. This will get us the entire design of the capital assessment program, and the legal work to get it done. Mayor LaCascia advised there would be an annual assessment for improvements. Councilor Blethen asked how; he was advised it would be a Non-Ad Valorem Assessment. Mayor LaCascia advised this is what he has been working on for the last six months – putting together that plan. The only way to get the professional opinion is the contract. Councilor Blethen asked about the prime rate. Mayor LaCascia advised our past financial situation is bad that no one will talk to us about a loan or bonding because of the bond rating. Vice Mayor Block advised what we are trying to do is give this document to you for review because it will be on the agenda for the August 10 meeting.

Vice Mayor Block advised we had planned to go over the agenda items in order to put some of the items into the consent agenda.

### **Review of Agenda for August 10 City Council Meeting**

- **Item C (1)** – Ordinance 1263 – this is an Ordinance creating a Fair Housing Code; this is has been approved on first reading and has to go to second and final public hearing.

- **Item C (2)** -- Ordinance 1264 -- this Ordinance changes the requirement of everyone who is currently receiving service outside of the city limits having to sign consent for annexation when a new customer takes over the utility (an existing service). This has been brought before Council once; this will be second and final.
- **Item E (1)** -- Appointment of Vice Mayor Block as Acting City Manager for an additional 30 days. Vice Mayor Block advised there is no time limit, so this will be done every 30 days. days at a time.
- **Item E (2)** -- Audit Services Agreement with Brynjulfson, CPA, PA. Vice Mayor Block advised this is the CPA Agreement for the Fiscal Years ending 2010, 2011 and 2012; this is for the on-going audits.
- **Item E (3)** -- Forgiveness of Liabilities between funds (due to's / due from's) -- Pam Lawson went over the "Due To's and Due From's" for Fiscal Year 2009. Pam advised she is requesting forgiveness for the amounts owed between funds so that it can be cleaned up. Mayor LaCascia advised this is something has been done in the past, and we are putting our "stamp of approval" on it now. Pam advised she wants to get them zeroed out. Mayor LaCascia commented this had been done in the past without Council approval and now we want to give it Council approval. Brief discussion took place concerning amounts owed and getting everything cleaned up.
- **Item E (4)** -- Resolution 2010-02, applying for a Public Library Construction Grant. This is a grant we apply for every year; we are pretty high on the list, but it is not currently funded by the State. We want to apply again this year;
- Discussion took place regarding items that can be placed on the Consent Agenda. After brief discussion of the items for the Consent Agenda, Mayor LaCascia advised this is the first time we have ever discussed in a workshop the contemplation of an agenda for a Council meeting; this has never been done before and is a little awkward. Normally, the Mayor and City Clerk put the agenda together. City Clerk Jackson gave a brief explanation of how the workshop prior to the regular meeting came about. While going through the Agenda, if Council would like to move items to the Consent Agenda, except for Public Hearing Items, it can be done by consent. Mayor LaCascia asked if we were going to have a workshop prior to the regular meeting and after the regular meeting; City Clerk Jackson advised it was her understanding the workshop after the Council meeting doesn't allow enough time to get things completed. This would also allow Council to add something to the Agenda; the third workshop would not be necessary. Items **E (2)** -- **E (4)** will be moved to the Consent Agenda.
- **Item E (5)** -- Resolution 2010-3, adopting the necessary policies for the City's Community Development Block Grant Program. Each policy was explained, as we well as discussion concerning the Citizens Advisory Committee; this will be moved to the Consent Agenda.

- Councilor Blethen commented the public may want to attend this meeting (prior to the regular meeting) in order to get more insight on what is going to happen. Mayor LaCascia feels it is a good suggestion; we can tell them there is a change in protocol and why. Councilor Blethen commented if this type of meeting is more communicative and transparent we may want to allow the public to ask questions.

**Questions and/or Comments from the Public**

- Kevin Bouffard, the Ledger, wanted clarification that a workshop will now be held prior to the regular meeting to discuss agenda items, rather than having a workshop the week after the regular meeting.
- Kevin Bouffard, the Ledger, commented at the last budget workshop it was stated there would be another budget workshop and want clarification. City Clerk Jackson advised there was another budget workshop scheduled for August 16; however, the remainder of the budget was discussed at tonight's workshop. If Council would like to have another budget workshop they will need to let staff know. Mr. Bouffard then questioned where the \$130,000 was coming from to balance the sewer fund; he was advised it would come from either the restructuring of the debt, or cash carry-over.
- Al Schneider questioned why irrigation water cost more; he was advised irrigation rates are based on conservation rates. Mayor LaCascia advised the Senior Economist with the Southwest Florida Water Management District recently looked at our water rate structures, and advised the City's conservation rates are in line. Brief discussion followed.
- Mr. MacKenzie commented the Council is a hard working Council and he thinks they are doing a good job. He also commented he hopes Council doesn't try to run the City Manager's job; he is pleased to be here.

Vice Mayor Block commented she would like to be more transparent; she asked if there are rumors going around, to please give her a call and get answers.

Mayor LaCascia commented if there are problems, to please come to the meetings; hopefully the citizens are getting better government.

The meeting adjourned to applause from the audience.

  
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 Patricia R. Jackson, City Clerk

  
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 Trudy Block, Vice Mayor