

# CITY COUNCIL MINUTES BUDGET WORKSHOP

**AUGUST 17, 2011**

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Mayor Joe LaCascia called the meeting to order at 6:00 p.m.

## **ROLL CALL**

Present: Mayor Joe LaCascia, Vice Mayor Trudy Block, Councilor Nancy Adorno, Councilor Mike Blethen, Councilor Don Kimsey, City Manager Matt Brock and City Clerk Patricia Jackson. Also present were Pam Lawson, Kathy Delp and Mary Ellin Barrett.

## **Workshop on Fiscal Year 2012 Proposed Budget**

Mayor LaCascia advised there were unresolved issues from Monday's workshop (8/15). Mayor LaCascia advised that City Manager Brock has asked that at the end of this session there is clear direction in terms of budget, millage rate, issues left unresolved, salaries and hours. The meeting was turned over to City Manager Brock:

- Payrolls
- Analysis if lower millage rate if we stay where we are now
- FRDAP Grant – points for CIP Plan, planned hearings and special meetings

City Manager Brock advised he would like to move forward with Council recommendations. The following items were discussed:

## **Work Week**

- Mayor LaCascia expressed a desire to have a five-day work week versus a four-day work week for eight months during the year. This would create 36 hours/40 hours and possible cost issues. Consensus for City to open five days a week
- Vice Mayor Block commented that as she thought about it, we are giving more services to "snowbirds" rather than people who live here full time.
- Mayor LaCascia questioned when more people are here, do they more come in to the office more; Vice Mayor responded few to none. Pam Lawson noted that before the switch this was looked at; there weren't very many people. Vice Mayor Block advised she has not heard any complaints; she would like to do the same for everyone four days a week and open at 8:00 a.m. Utilities is probably the biggest day ; it was suggested to open four hours on Friday; however, Xochitl is the only one that doesn't come in on Friday and are not sure of what the additional cost would be. It was stated that an additional person for Woodard and Curran to have someone 40 hours a week would cost an additional \$24,000 to \$31,000
- Councilor Kimsey asked what other cities are working four days; he was advised Mulberry. Councilor Kimsey asked about savings of four days versus five days. Councilor Adorno went over the list. City Manager Brock commented about the hours being posted; he has not received any complaints. Discussion continued regarding the five-day work week with utilities, as well as how people pay their bills, late fees, putting money in the drop box, etc. Councilor Blethen questioned how full the drop box is on Monday's.

- Mayor LaCascia asked if a sign was posted during lunch; Pam advised customers are taken care of. Mayor LaCascia asked if the City is moving forward with the 13% pay raises, what are the citizens getting. It was suggested to work 36 hours over a five-day period. Councilor Adorno commented we would be reducing services the other days. Councilor Adorno advised we are currently recognizing a savings with a four-day work week; if we increase the number of days then we would be increasing the cost to operate. Councilor Kimsey wants us to be as resident friendly as we can be.
- Vice Mayor Block mentioned the newsletter, and she mentioned while attending the Florida League of Cities conference and walking around some of the booths there are other ideas that can be looked at for serving the customers rather than just being open five days a week.
- Councilor Kimsey advised this needs to be finalized as it pertains to the budget
- Mayor LaCascia advised Council will need to do something in order to give the City Manager direction to modify the budget
- Councilor Adorno advised there are four ways to pay your bill: in person, the drop box, auto pay and on-line. Xochitl is here four days a week; it seems we have given more options and are still available by phone or person – it is impossible to be open for everybody. This could cost more
- Councilor Adorno is in favor of leaving the hours as they currently are, Vice Mayor Block is in favor of leaving the hours as they currently are, Councilor Blethen would like to look at what was spent previously and what savings were incurred when the hours were reduced from 40 hours to 36 hours. Vice Mayor Block advised a study could be done over time. Brief discussion took place regarding electrical cost and the increases that took place since the hours were reduced to 36; the cost would be more if opened for 40 hours. Councilor Kimsey agreed with Councilor Blethen – he would like to know if the citizens are being short-changed, and if they are, he would prefer five days a week. Mayor LaCascia has no problem with leaving it to four days.
- Discussion continued regarding how citizens pay their bills. Mayor LaCascia advised to leave the hours as they are (majority indicated to do so).

## **Salaries**

- Mayor LaCascia asked if Council wanted to discuss salaries, or was Council finished with that. Councilor Kimsey asked to bring Council up to speed as to where we are; Mayor LaCascia advised the consensus was 13%. Councilor Kimsey commented he knows Council did the 10% but not the 3%
- Mayor LaCascia also mentioned the parity for Department Heads and 13% across the board; there is a disparity with Department Heads compared to other cities (survey was done)
- Councilor Blethen commented about surveying cities and asked about the citizens and raising taxes; Mayor LaCascia advised we could discuss the millage at the end of the session
- Vice Mayor Block advised we do not have to raise the millage from where we are today in order to do the salary increases; she worked for nothing and the employees worked without getting raises because they knew the City didn't have any money, and we didn't know where we were at. They have taken on extra duties and the employees are saving the City \$44,000 on health care a year; they took a decrease in benefits and are paying more out-of-pocket. Employees are losing four percent retirement – the City pays 4.91% and employees pay 3%. What will cost more are turnovers; we don't want to lose people. What the Department Heads are asking for is in the middle.

- Mayor LaCascia spoke about coveted wisdom and not giving out increase; however, maybe you do with four people. We got here from a “knee jerk reaction and smoking mirrors”; this was supposed to be temporary, but it hasn’t turned out to be temporary. We don’t want to be looked upon as a “second class City”, and this increase is not putting us at the top of the scale; this is a correction that needs to be done now. If we give 7%, 10% or 13%, it is the same amount of heat.
- Councilor Kimsey commented he has taken heat.
- Councilor Blethen mentioned job offers
- Councilor Adorno commented she doesn’t like to increase because people show up to work; she thinks current staff has shown by their work hours; if you want good people you need to respect them as well – they have sacrificed themselves in that couple of years – do we continue to do that and expect them to give the same quality of work and not give them something. If we don’t have as much as other cities we can’t offer something we don’t have; however, we can bring them closer. Councilor Kimsey wanted to know if salary motivates a person.
- Lengthy discussion continued between Council and staff regarding the salary increases, health care benefits and what cuts were taken to save the City money, outsourcing, and the fact that the millage rate is not a factor in the salary increases; the salaries are self-funded by the savings of approximately \$44,000 in health care. Discussion also took place regarding the additional job responsibilities employees have taken on, as well as their ideas to save the City money. Council reviewed the handouts that were given regarding salary increases and healthcare savings. Councilor Blethen doesn’t disagree with what employees deserve (he referred to the hand-out) and he agrees with the 10%; he has concerns about taking flack for the 13% pay raise and the high profile items – he thinks we do have good people. Councilor Blethen is concerned with taxes – what does the salary increase do to the millage rate (impact on millage rate). The total increase with benefits is \$48,874.29. Mayor LaCascia explained the employees are funding the increase through savings in health insurance and the Medicare Plan. Mayor LaCascia advised we can achieve what we want, keep the millage rate where it is now and keep raises. The majority of Council agreed with that.

### **Enterprise Fund**

- Vice Mayor Block noted there were no fees for sewer connections; Councilor Kimsey commented it was coming down the line
- It was noted the revenues have gone up from last year, which includes the \$645,000 Community Development Block Grant
- Mayor LaCascia asked about the debt service payments; City Manager Brock advised the justifications are on the next several pages (page 78-83).
- It was noted the City is looking into having a collection agency collect bad debts; Councilor Blethen questioned deposits on rental property and high risks property
- Councilor Blethen questioned the Professional Engineering Services (page 78) and Repairs and Maintenance. Justification for the repairs and maintenance is noted on page 80.
- Mayor LaCascia noted line item 310 is for things we have to hire other people to do; the City Manager reports what is going on with Woodard and Curran
- Councilor Blethen asked about Engineering Services; the City Manager advised he could not remember the specific projects, and Pam advised GAI has things that are on-going. City Manager Brock advised he would reduce this amount by \$10,000; Mayor LaCascia asked City Manager Brock to check into this.

- Councilor Adorno asked about item 465 on page 81; Charles (Woodard & Curran) advised it includes oil changes and monthly maintenance; it is split with the water fund.
- Councilor Blethen asked about item 460; he was advised it is to retro fit the Golden Gate lift station and there is a need for two new pumps. Brief discussion took place regarding the types of items being flushed
- Cardinal Hill WWTP – includes bond monies; justification is on following page (pages 84-85). Discussion then took place regarding the Wastewater Treatment Plants and what electric company services them.
- Page 86 – Item 650 is construction in progress; this will be kept up-to-date by GAI; Pam Lawson will also track
- Page 87 – Mt. Olive WWTP – discussions took place regarding schedule for shutting down and shifting flow to Cardinal Hill and then sending treated waste to the spray field; this will be done under one project.
- Page 92, Item 440 – Councilor Adorno asked about the folding machine, postage machine and copier; Pam Lawson advised all of that is being used
- Pages 95-96 – Mt. Olive WTP – discussions took place regarding electric utilities and the possibility of using a generator during the peak hours in the daytime.
- Page 104, Item 520 (repairs and maintenance) – this is for the flow meter
- Page 107. Item 533.311 – Engineering Services is split between General Fund, Water Fund and Sewer Fund. City Manager Brock is to get an explanation; however, he advised he would reduce this amount by \$10,000
- Page 107, Item 460 in the amount of \$37,500; Council was referred to page 109 for the justification, which includes water meters. Councilor Adorno asked if the City was looking to get one system. Councilor Blethen questioned if the replacements would be manual or electronic. Charles advised they would be radio-read; he also advised the City currently has Neptune Meters and Master Meters. Pam Lawson advised Woodard and Curran requested \$40,000 to \$50,000, but it was cut back to \$25,000
- Page 111, Item 630 includes \$650,000 for the CDBG Project and includes the pressure valve for the Auburndale interconnect in the amount of \$27,400; City Manager Brock to confirm.
- Page 112, Item 992 is unemployment for David Fields
- Page 114 shows transfers to the General Fund and Reserve Fund

## Overview

- The City Manager is reducing the Engineering Services by \$20,000 – transfer to General Fund
- Reduce the unrestricted balance of \$308,000 by \$25,000 and transfer that \$25,000 to General Fund
- These two items will cover the cost of reducing the millage rate from the roll-back rate and leaving it at the current rate
- Councilor Blethen is in favor of reducing the millage
- Councilor Kimsey would like to see rates go down in water and sewer; Mayor LaCascia advised that would be problematic because of the bond issue – the water and sewer funds are pledged.
- Vice Mayor Block advised the City doesn't have a good history of paying bills; the City will need a couple of years of paying their bills in order to show the bondholder.
- Mayor LaCascia advised the City will not be increasing water and sewer rates for five years
- Councilor Kimsey spoke of the phone calls he is getting – people want lower rates

- Mayor LaCascia commented the millage rate will be the same as this year, but the values have gone down approximately 10%; no taxes will go up.
- Pam Lawson advised she would make the changes as discussed tonight and will give it to Council; she asked if a new budget hearing would need to be held. (will not need a new hearing)
- There will be a total reduction of \$67,000 and consensus was asked for from Council for the proposed budget changes– Councilor Adorno –yes, Vice Mayor Block-yes; however, she was concerned about the \$5,000 – travel and per diem for Council, Councilor Blethen – as long as citizens do have a tax increase he is on board with the employees pay raises, Mayor LaCascia is in favor.
- The City Manager will make the necessary changes and do a new budget.

The meeting adjourned at 8:14 p.m.

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City Clerk Patricia R. Jackson

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Mayor Joe LaCascia