

MINUTES OF THE BUDGET WORKSHOP OF THE CITY COMMISSION OF THE CITY OF FORT PIERCE, FLORIDA, HELD IN THE CITY HALL COMMISSION CHAMBERS, 100 NORTH U.S. #1, FORT PIERCE, FLORIDA, AT 9:00 A.M. ON MONDAY, JUNE 30, 2014.

1. **Call to Order** - Mayor Hudson called the meeting to order at 9:01 a.m.

2. **Pledge of Allegiance**

3. **Roll Call**

Present: Mayor Linda Hudson; Commissioner Edward Becht; Commissioner Thomas Perona

Absent: Commissioner Rufus Alexander; Commissioner Reginald Sessions (arrived 11:06 a.m)

Staff Present: City Clerk Linda Cox

City Manager Robert Bradshaw

City Attorney Robert Schwerer

Motion was made by Commissioner Edward Becht, seconded by Commissioner Thomas Perona to excuse Commissioner Alexander.

AYE: Mayor Linda Hudson, Commissioner Edward Becht, Commissioner Thomas Perona
Passed

4. **Introduction and Overview**

City Manager, Robert Bradshaw, stated he would like to first thank the budget team; Finance Director, Deputy Finance Director, Deputy City Manager and City Manager. There was direct input from all Department Heads this year thus enabling him to present the Commission with a balanced budget based on the roll back rate of 6.5740. One high note for the year was the health insurance increase they originally projected at being 7 to 14 percent, actually came in at only 4%.

5. **Discussion - Proposed FY 2014-2015 Budget**

A. **General Fund**

Mr. Bradshaw responded to Commissioner Becht and stated the \$553,934 reserve fund is earmarked for the next year where the shortfall is projected to be \$1.2 million dollars. Commission is requesting a full commission resolution be drafted and for staff to move forward with getting this on the agenda so a super majority will be required to access these funds.

It was questioned if the City could delay payment on the Utility Authority's advance of \$1.25 million; repayment of this loan was to begin in the 2014-15 fiscal year. The payment amount, including 3 percent financing, is \$287,000. Ms. Johnson recommended a majority of the Commission to agree to defer, at least for a couple of years. Mayor Hudson requested a copy of the loan agreement or minutes discussing the loan terms at the joint meeting.

Ms. Johnson responded to Mayor Hudson by confirming increases in overtime. The largest increase was within the Engineering Department since we have federal projects that require weekend and evening visits to the sites. The City has a revenue code where the Federal Government reimburses these costs, there is a revenue item line that identifies this. Although the MIS Department shows an increase, it was noted it is still lower than in the past. Chief

Baldwin clarified the Police Department is available 24 hours a day and 7 seven days a week including holidays; the item amount includes both overtime and holiday overtime.

Commissioner Becht stated the City has been extremely responsive to any economic opportunity that has come into the City directly and he feels we have been making a mistake not being part of the EDC team, Commissioner Alexander had provided a memo supporting funding the EDC. Mr. Bradshaw stated there is \$5,000 allocated for participation with the EDC, we are moving toward full membership.

Chief Baldwin addressed Commissioner Perona in reference to replacing the older police vehicles that are still in use. There is a plan but there is a problem finding where the money is to come from. There are proposals from leasing companies where the city would pay on a three year lease and at the end, pay a dollar and keep the vehicle. He stated a bigger concern is the issue with compensation for the employees.

The Public Works Department has initiated a very small resurfacing program utilizing CDBG dollars for this fiscal year and the upcoming fiscal year. Mr. Mimms stated the City's taking small steps, starting in the Lincoln Park area and will continue to expand outward. Mr. Andrews is to provide the Commission a list of priority streets for paving.

Mr. Bradshaw agreed with Commissioner Becht that there are departments nearing a critical stage with manpower, a lack of personnel. There are concerns about having a balanced budget but not having the staff to handle the work load. Mr. Bradshaw stated we are working the best we can with the resources we have. We are looking into some options that may be beneficial for the City and cost effective, at the next budget meeting, we will be able to discuss those concepts.

Ms. Cox indicated the requested action minutes will be done by the City Clerk's office and the Commission should receive them by the end of the week following the meeting.

Mr. Reals explained that for every ton the City keeps out of the landfill, the City saves \$37.00. We are in our slow season and the City still continues to average 100 tons of recycled material a month. He further commented this program is going to continue to grow and continue to save the City money.

Ms. Johnson added the Finance Department is looking into the feasibility and financial benefit for the city to be self insured. It might be a benefit for the employees as well as the City's financial gains. She will be getting back to the Commission with a report very soon. If we do go to self insured, she will do a presentation to the Commission within the next two weeks because that decision would have to be made by the end of July. If we go self insured, Ms. Johnson stressed the importance of fully funding the plan each year. Commissioner Perona inquired as to whether we are anticipating revisions to our hiring practices to support hiring healthier employees as discussed at strategic planning.

On the next budget document, the Mayor would like included actual year to date numbers as well.

B. FPRA

Questions were raised concerning the accuracy of the amounts listed for the leases on Fisherman's Wharff and Cobb's Landing. Ms. Johnson will provide the Commission with a list of the City and FPRA leases breaking down costs and identifying lease status as current or past due. It was requested to make the current status of these leases part of the annual packets.

Mr. Mimms stated the Finance Department is working with the Urban Redevelopment Department and the City Manager's office and will be presenting the Commission at the August Conference Agenda their research and findings concerning the mortgages at the Oaks the City currently holds.

C. CDBG

Mr. Mimms stated there are roughly \$75,000 in public services scheduled for the upcoming year. The \$100,000 in funds listed for Code Enforcement are for one full time officer and one part time officer, it also covers an increase in lot clearings within the City. Mr. Mimms stated the community focal points have been identified tentatively as the resurfacing and improvement of the walking and jogging track on 13th Street. An adjustment to line item 8383 for children's program is necessary.

D. Enterprise Funds: Marina, Solid Waste, Golf Course, Sunrise Theatre and Building

Mr. Schwerer responded to Commissioner Becht concerning the Marina and the possible three year tax assessment back to 2011. The case is currently on appeal. If the appellate court sustains, in a year or so the City will owe back taxes for 2011, 2012, 2013 and potentially 2014. He stated the amount due will be approximately \$150,000 a year, keeping in mind that 13 - 14 mills of that comes back to the CRA. Mr. Bradshaw stated the City needs to see what the courts decide. While Ms. Johnson suggested to put one year of the fees into the budget. Commissioner Becht suggested that \$30,000 of the reserve fund be set aside specifically for these fees.

Mr. Wilkes stated the Sunrise would not be able to come in at \$350,000 and break even, the theater would still need somewhere between \$150,000 to \$175,000 on top of the \$350,000. Commissioner Becht really wants to move forward to next years budget but cannot realistically do that until this years current deficit is settled. If \$470,000 is the actual and it is budgeted for \$350,000 it has to be understood that the Commission will be revisiting the issue before the end of next year. Ms. Johnson indicated the deficit of \$115,000 would have to be taken out of the reserve fund, this will be an extra loan from the general fund to FPRA and increase the amount of indebtedness of the FPRA to the general fund. Mr. Bradshaw has full confidence in a concept they will be presenting that will be a tremendous cost savings for the City. It was decided to fund the full amount of \$450,000 for this year and task the team with finding funding solutions to be brought back for next year, thus leaving the budget amount at \$350,000.

6. Adjournment

There being no further business, Mayor Hudson declared the meeting adjourned at 11:07 a.m.

ATTEST:

CITY CLERK

MAYOR COMMISSIONER