

MINUTES OF A SPECIAL 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 THURSDAY, **JULY 9, 2015.**

1. **CALL TO ORDER** - Mayor Hudson called the meeting to order at 9:00 a.m.

2. **PLEDGE OF ALLEGIANCE**

3. **ROLL CALL**

Present: Mayor Linda Hudson; Commissioner Rufus Alexander (arrived 9:07 am); Commissioner Edward Becht; Commissioner Thomas Perona (arrived 9:02 am); Commissioner Reginald Sessions (arrived 9:22 am)

Staff Present: City Clerk Linda Cox  
City Manager Robert Bradshaw  
Assistant City Attorney Jim Walker

4. **INTRODUCTION AND OVERVIEW**

Mr. Robert Bradshaw recognized the budget team consisting of Gloria Johnson, Johnna Morris and Nick Mimms. We are presenting a balanced budget of approximately \$34.5 million for the general fund based on the current millage rate of 6.5. This includes the minimum capital costs of \$125,000.00. They will also present an amendment that will address the capital costs of \$1.4 million. The team identified a funding source and is based upon input received at strategic planning looking at law enforcement capital increases, street reconstruction and resurfacing and our information and technology needs. The \$1.4 million will require a slight millage adjustment

5. **PROPOSED FY 2015-2016 BUDGET**

Johnna Morris appeared to present the proposed balanced budget in the amount of \$34,552,138 using our current millage rate. The proposed budget is using updated property values which is at a 3.6% increase. The estimate does not include the newly annexed properties. Once we include those properties, we will recognize a 3.8% increase in our property values.

The values between the city and the FPRA have not yet been recalculated. Commissioner Becht would like the information as it is important to him to know the appreciation city wide and the appreciation within the FPRA area. Ms. Johnson indicated the FPRA area saw an increase of 2.9%. With the annexations, our total property value is at \$1.9 billion which will give us \$664,333 more than we budgeted last year which is a 3.8% increase.

In formulating this budget, 6 elements were considered to show the changes being proposed. Property values was number one. Second, \$759,056 from fund balance was used, including \$550,000 from FY2015 restriction and \$209,056 from unrestricted fund balance in FY 2014. Third, this budget includes pay increases for all employees. Teamsters at 3% or \$.50, police at 4% and non-bargaining at 3%. Commissioner Alexander stressed that there is also no increase in health insurance coverage to employees since the small increase will be absorbed by the City. Commissioner Becht pointed out that even though the increase is small, the city now contributes more than 50% of health insurance costs for its employees as previously set by policy. Ms. Morris indicated that it is now the city pays 52% and employees pay 48%. Commissioner Becht stressed that that policy change needs to be made clear and

articulated. Fourth, five police officers will be added to the general fund as a result of the expiration of the COPS grant. The total impact is \$250,165, including benefits and the proposed increases. Fifth, there is a retirement contribution increase of .42% for general employees. There is no increase for police. Sixth, health insurance increased .3% and the life insurance premium decreased for a net savings of \$3,694. Commissioner Alexander asked that the commission be reminded about using these savings in future years.

The Mayor inquired if safeguards are in place to prevent credit card abuse. Ms. Johnson indicated that safeguards are in place and vary based upon the needs of the department. Ms. Johnson indicated that she is unaware of any credit card abuse in the past year. Ms. Morris presented an overview of expenditure and revenue changes from FY 2015 to FY 2016.

Commissioner Becht inquired as to how we make sure we get our fair share of sales tax and if sales tax is being properly collected, particularly as it applies to the sale of railroad ties. The same applies to how railroad properties are being valued and are we getting the appropriate amount of tax. He believes the values are being established at the state level rather than at the local level which is of concern and he is requesting a formal review.

Mayor Hudson expressed concern about adding positions in this budget, particularly in departments where the department head will be changing. Commissioner Becht agreed. Commissioner Alexander expressed concern about one of the busiest departments, Public Works, losing an employee. Mayor Hudson agreed and inquired as to why. Ms. Morris explained that one position is being transferred from Public Works to Solid Waste and Ms. Johnson explained that the GIS position is being moved from Public Works to MIS. It was confirmed that both employees will be doing the same job, just in a different department. Mr. Mimms explained that the new position in engineering is the result of a general fund employee retiring and the position being replaced with a different position being funded by stormwater. There is also a reduction of 1 full time position in code enforcement which is of concern.

Commissioner Perona wanted to remind everyone of the repayment due to FPUA and inquired if we have started planning for the payment. Ms. Johnson indicated that it will be in future budget.

It was noted that there are currently seven vacancies in the police department. Those positions are funded and the Chief indicated that she will be filling those positions. She is also undertaking an assessment of crime trends in the community to insure if any request for additional positions is forthcoming, she will have the data to justify the request. She also needs to insure that she has the tools required to bring these officers on, such as police cars.

Ms. Johnson reported on the City's capital budget indicating that the City has been unable to fund its capital budget in recent years. The developer of Coral Square paid back early its loan of \$2.8 million. The city used \$1.4 million of that repayment to fund the marina expansion. Staff is recommending using the remaining \$1.4 million to establish a capital reserve fund allocating and estimated \$750,589 to police needs, \$696,684 to road improvements and \$150,000 to communications. In order to use these funds, we must pay it back because debt service is due every year; staff is recommending an increase in the millage rate to 6.9 in order to make the repayments.

Commissioner Becht discussed creating a mechanism to insure that in the future, the City is unable to redirect funds from the capital improvement fund without a 4/5 vote of the Commission. He stressed that the proposed increase in millage is dedicated to capital improvements. Ms. Johnson indicated staff is recommending that the capital reserve fund be established and if approved, they will provide the resolution to insure the fund is restricted for that purpose only. The property tax rate Ms. Johnson will send to the property appraiser is 6.9;

that rate can always come down. Ms. Johnson will also provide a two year projected budget.

Commissioner Becht indicated that the current funding for the Economic Development Council is at \$5,000. He received a request from Pete Tesch to consider increasing the funding to \$15,000.00. Mr. Bradshaw indicated that the EDC has provided tangible results and agrees with the increase. Consensus was to increase the funding of EDC to \$15,000.00.

Commissioner Becht reported that the Fire District is considering a half-cent sales tax initiative aimed at vehicle replacement. He suggested that the City discuss the issue with the Fire Chief. Mr. Bradshaw has had discussions with the County Administrator on a sales tax initiative as well. Commissioner Becht explained that he learned of a program in Austin, Texas where they charge on the utility bill a fee per month called a "Clean Community Fund" which raises funds dedicated to keeping the community clean. He shared the program with Peggy Arraiz, Code Enforcement and identified a method to raise \$280,000 annually. Ms. Arraiz appeared with a presentation. The proposal for the city of Fort Pierce is to apply a single rate of \$1.00 to each utility bill within the City limits and utilize the funds for various nuisance abatement projects and code enforcement personnel currently funded through CDBG. This will allow those CDBG funds to be utilized elsewhere.

Commissioner Sessions expressed concern about adding another charge to the utility bill. Mr. Mimms confirmed that we will have a future discussion on removing the garbage and recycling charges from the bill. Mayor Hudson indicated that we may need to look at how we follow through with code enforcement now; we impose fines and then reduce them.

Ms. Arriaz offered a suggested budget if the Clean Communities Program would be implemented aimed at funding demolition, lot clearing, securing vacant buildings, graffiti abatement and tag and tow. The program could also provide support to programs that make a positive impact on the community such as Keep Fort Pierce Beautiful and Youth and Crime Prevention Activities.

Ms. Arraiz confirmed that all of the monies collected through the added fee could go towards funding programs and not be used for staffing. Staffing would be paid for through the general fund. The program is just a concept and can be structured however the Commission would like.

**6. ADJOURNMENT** - Meeting adjourned at 12:05 p.m.

ATTEST:

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CITY CLERK

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MAYOR COMMISSIONER