

TAB 1

Palmetto City Commission
Budget Workshop
July 15, 2008 5:30 p.m.

Elected Officials Present:

Larry Bustle, Mayor
Tambra Varnadore, Vice Mayor
Eric Ball, Commissioner
Tamara Cornwell, Commissioner
Mary Lancaster, Commissioner
Brian Williams, Commissioner

Staff and Others Present:

James R. Freeman, City Clerk
Chris Lukowiak, Public Works Director
Chief Garry Lowe
Deputy Chief Mike Mayer
Karen Simpson, Deputy Clerk-Finance
Tanya Lukowiak, CRA Executive Director
Diane Ponder, Deputy Clerk-Administration

Mayor Bustle called the meeting to order at 5:35 p.m., followed by a moment of silence for overseas military personnel and the Pledge of Allegiance.

1. AGENDA APPROVAL

MOTION: Mrs. Lancaster moved, Ms. Cornwell seconded and motion carried 5-0 to approve the July 15, 2008, 5:30 p.m. agenda.

2. FYE 2008-2009 BUDGET

Mr. Freeman began the discussion by reviewing changes that were made to the assumptions for the 2009 Budget. Commission discussed in detail the following assumptions:

1. Proposed freeze of salaries at current levels with a review mid-year for a possible 1% to 3% COLA: Commission commented that staff should determine that all luxuries have been cut from the budget before freezing salaries.
2. Personnel: The Project Manager (Engineering) and Service Worker I (Parks) have been eliminated from the budget. Five currently vacant positions have been funded in the 2009 budget in anticipation of filling the positions: IT Specialist, Customer Service Rep, Code Enforcement Officer, and two Crossing Guards. Staff informed Commission how long each position has been vacant.
3. Health insurance: The final numbers have not yet been received. Mr. Freeman stated that a minimal impact to the employee is being sought, but consideration may have to be given to a possible increase in the hospital stay deduction, co-pay amount and/or dependent care subsidy.
4. HR Coordinator position elimination: Mr. Freeman stated the position was being eliminated and would be consolidated with the existing Code Enforcement Officer position, which will be titled Code Enforcement Officer/Special Projects Coordinator. The individual being proposed for the position will experience a lateral move with no pay increase and will split the position's duties at a ratio of 75% for Code Enforcement and

25% for HR. Commission commented on possibly using the building official and police officers as code enforcement officers.

Discussion ensued on the City's cell phone plan. Mr. Freeman informed Commission the plan for City Hall and Public Works had been renegotiated by the Purchasing Agent at a savings of \$4,800 per year. Staff was asked to revisit the topic to determine if all the cell phones are necessary and if it is possible to convert some of the phones to only the two-way direct connect option.

Commission also requested that staff provide the following data and its appropriate impact to the safety and welfare of the citizens:

- Cost analysis for take home vehicles
- Cost breakdown for each assumption
- Number of permits for new construction
- Number of vacant residential, commercial and condominium units
- Number of employees and/or dependents who are or can be covered by another medical insurance plan
- Future plans for how the Building Department will be utilized

Mr. Freeman acknowledged that procedures are in place concerning notices of bankruptcies. He also stated that it is his impression that municipalities putting a 4-day work week in place are doing it as a benefit for employees; he does not see that move being a substantial savings to the City. Mr. Lukowiak opined it would not be beneficial for Public Works.

Mr. Freeman reviewed the Analysis of Millage and Ad Valorem Taxes, reporting the City has received an eight percent increase in ad valorem tax revenue, attributed to new construction. Mayor Bustle suggested it would be helpful to have the dollar value between the current roll back rate of 4.6662 and the permissible 6.4 roll back rate (that is allowable by state direction without being a tax increase).

Mr. Ball apologized and departed the meeting at 6:45 pm.

Mr. Freeman reviewed the fund balance reserve requirements as shown in the Final Budget Summary. During the review, discussion ensued on the building Department and the draw from its reserves to fund the department's budget. Mr. Lukowiak explained the Building Official's philosophy in using the reserves, which can only fund the Building Department, and also spoke of the monies the department ultimately allocates back to the General Fund. Mayor Bustle discussed the fact that the reserve under discussion does not affect the General Fund; the reserve is intended to support the department in an economic downturn. It was suggested that through attrition and the transfer of personnel to vacant positions, the reserve could remain at the current level.

Mayor Bustle stated a draft budget has been presented. He confirmed with Commission that they wanted to see a budget with some type of COLA. Mr. Freeman distributed data on a 2% COLA increase, which would cost \$148,103. Ms. Cornwell and Mrs. Williams stated they would also like to see a breakdown eliminating the "upper echelon" or \$40,000 and higher.

Ms. Varnadore stated that if \$148,103 could be cut from the budget she would like to see the 2% COLA implemented. She confirmed she has no objection to freezing the step. While she admitted the budget has been trimmed down, she stated that when the Police Department came up for review she would inquire why the COBAN software and two new vehicles are needed this year.

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Mayor Bustle asked if Commission agreed with Ms. Varnadore's opinion concerning the 2% COLA. Mr. Williams reserved his right to review the budget. Commission concurred with the implementation of a 2% COLA, provided staff can locate the funds.

Ms. Varnadore asked Mr. Freeman to provide an analysis of the impact to the budget if the City went up to the 5.1645 millage rate level.

The presentation of the COBAN software update was discussed. Deputy Chief Mayer will not be available to thoroughly discuss the item until July 22. Mrs. Lancaster stated she was not willing to expend more funds until she had a thorough understanding of how the system is to function. Ms. Varnadore inquired if the system could be delayed for one year, given the fact many capital leases will be paid in full next year. Deputy Chief Mayer opined that the COBAN software and the two vehicles can be delayed for one year to fund the 2% COLA. Chief Lowe agreed with Deputy Chief Mayer. Deputy Chief Mayer requested permission to purchase the NETMOTION software at a cost of \$8,700; it is his understanding funds may be available in this year's budget. The COBAN topic will be reviewed at the July 22 budget workshop. Staff was directed to load the 2% COLA back into the budget.

Meeting adjourned at 7:30 pm.

James R. Freeman
City Clerk

Palmetto City Commission
Budget Workshop
July 16, 2008 5:30 p.m.

Elected Officials Present:

Larry Bustle, Mayor
Tambra Varnadore, Vice Mayor
Tamara Cornwell, Commissioner
Mary Lancaster, Commissioner
Brian Williams, Commissioner

Elected Officials Absent:

Eric Ball, Commissioner

Staff and Others Present:

James R. Freeman, City Clerk
Chris Lukowiak, Public Works Director
Chief Garry Lowe
Deputy Chief Mike Mayer
Karen Simpson, Deputy Clerk-Finance
Tanya Lukowiak, CRA Executive Director
Diane Ponder, Deputy Clerk-Administration

Mayor Bustle called the meeting to order at 5:35 p.m., followed by a moment of silence for overseas military personnel and the Pledge of Allegiance.

1. AGENDA APPROVAL

MOTION: Ms. Cornwell moved, Mrs. Lancaster seconded and motion carried 4-0 to approve the July 16, 2008, 5:30 p.m. agenda.

2. FYE 2008-2009 BUDGET

Mr. Freeman briefly reviewed the changes to the Assumptions for 2009 Budget that were made pursuant to Commission's instructions. With a 2% COLA across the board, the budget remains balanced; Enterprise Funds' reserves were lowered slightly to reflect the salary increases applicable to each Fund. He confirmed no changes were made to transfer Building Department personnel to vacant positions.

Mr. Freeman referred to the Nextel summary that was provided for the City Hall and Public Works cell phone plan. Mr. Williams stated the walkie-talkie option is sufficient for some of the phones and opined it is not necessary for each employee carrying a cell phone to have 500 minutes and suggested having the pool of minutes allows the use of the phone beyond City business. Williams called for an audit of the last year's cell phone bills to determine the usage and long distance calls, stating the purpose of the audit is to show there is not a need for the number of pooled minutes in the plan because it allows people to use the phone indiscriminately. Mayor Bustle opined that it is not within the Commission's scope of responsibility to monitor an operational responsibility; if abuse is occurring, it is up to the department head to address the problem. Debate ensued, and ultimately resulted in direction to staff to perform the audit.

Mr. Freeman reviewed the additional information Commission requested showing the breakdown in incremental millage rate increases up to 5.16662. He reported the final medical insurance numbers have not yet been provided, but agent Mike Towns feels any changes will be minimal. Mr. Freeman informed Commission the budget does not fund any new debt. In preparation for

the CIP review during the July 21, 2008 workshop meeting, staff is determining funding that will be available for projects during the next year.

At Commission's direction, Mr. Freeman was instructed to eliminate the 2% COLA salary increase for the mayor and commissioners.

Commission began review of the 2008-2009 budget.

IT DEPARTMENT

0015135223: Confirmed Coban warranties were changed to \$5,000
Confirmed USA e-forms Reporting System deletion of \$29,000
Confirmed USA Mobil deletion of \$72,000 (both Coban items totaled \$101,000)
The IT Specialist for PD remains in the budget.

Discussion ensued on the five vacant positions in the budget and the possibility of transferring individuals from the Building Department into the positions. Mr. Lukowiak reported he is already utilizing one of the inspectors part-time in the Project Manager position, which has been deleted. Commission suggested that the vacant Customer Service position be deleted this year and utilize one of the permit techs part-time in that position. Staff was instructed to confirm with Attorney Hall that utilization of Building Department personnel in other city positions is permissible by law. Mr. Freeman stated he will explore the possibility of sharing a Building Department employee in the Customer Service position. Ms. Cornwell suggested looking at a policy that will freeze all position as of a certain date prior to beginning the budget review.

0015136401: Deleted 1 laptop computer for PW totaling \$1,500
Deleted 2 Laserfiche scanners totaling \$2,000
Staff will confirm the need for six desktop computers. Mr. Freeman confirmed that as part of the COBAN, one server at \$6,500 will support the Netmotion software of \$8,700.

0015135413: Deleted 1 USA Training totaling \$600
Suggested that staff review the entries in the account to determine if all are necessary. It was also suggested that local classes should be utilized to avoid additional travel expenses.

CITY ATTORNEY

The only change from last year's budget is that Litigation Fees of \$25,000, #0015143107, is now reduced by \$2,000, and moved to Operating Expenses from Litigation, #0015145223. The overall budget amount has not changed from FY 2007-2008.

Commission requested an itemized bill from the City Attorney and a cost analysis of the savings the City realized by going to an in-house attorney. While discussing the attorney pass through fees, staff was asked to inform Commission of where the recent CDD filing fee was posted.

Staff was directed to allocate travel expenses in the account.

The next budget workshop is July 22, 2008 at 5:00 pm.

Meeting adjourned at 7:30 pm.

James R. Freeman
City Clerk