

Palmetto City Commission
Budget Workshop
June 24, 2008 5:00 p.m.

Elected Officials Present:

Larry Bustle, Mayor
Tambra Varnadore, Vice Mayor
Eric Ball, Commissioner
Tamara Cornwell, Commissioner (arrived 5:15 p.m.)
Mary Lancaster, Commissioner
Brian Williams, Commissioner

Staff and Others Present:

James R. Freeman, City Clerk
Chris Lukowiak, Public Works Director
Chief Garry Lowe
Karen Simpson, Deputy Clerk-Finance
Geoff Campbell, IT Director
Tanya Lukowiak, CRA Executive Director
Deanna Roberts, Administrative Assistant

Mayor Bustle called the meeting to order at 5:10 p.m. The meeting began with the Pledge of Allegiance.

1. AGENDA APPROVAL

MOTION: Commissioner Ball moved, Commissioner Lancaster seconded and motion passed 4-0 to approve the June 24, 2008, 5:00 p.m. agenda.

Mr. Freeman began the workshop with a review of the "FY 2009 Summary Budget by Fund," page 1 of the provided packet (attached to these minutes). The graph shows a breakout of expenses by fund. The total expenditures, excluding CRA, are \$21million (\$21,853,618). The General Fund makes up about 52 percent of the total expenditures. Percentages for other funds are also shown. Page 3 shows a detailed line item of operating expenditures; a detailed cross reference for page 1. This detail of expenditures gives Commission a reference point to see where savings might be made in the budget, as requested at the June 23, 2008 Budget Workshop. Four of the categories specifically requested by Commission: Communications, Utility Service, Fuel, and Uniform Purchases and Cleaning expenses are shown on the chart.

Commissioner Lancaster asked how many cell phones the City pays for. Finance verified there are thirty-five city-issued cell phones. She asked if they were all necessary. Mr. Freeman said he assumed so but added that purchasing is looking at some options to save costs on the phones; for example, using them as two-way talk only.

Mayor Bustle pointed out that page 3 also is a cross reference to the departments in the budget book.

In response to Commission's request for costs associated with take-home vehicles, Finance prepared page 4. Based on listed assumptions, the total yearly cost to the City is \$25,439.

Chief Lowe informed Commission that the Police Department is looking at a surcharge of \$10-\$12.00 for each speeding ticket. The idea came from an article he read about a similar program in Holly Springs, GA. The surcharge would apply as long as gas is \$4.00 or more per gallon. The surcharge would be collected by the Clerk of the Court, and he thinks 100 percent would come back to the City. Commissioner Varnadore commented there might be an administrative fee.

Mayor Bustle reminded Commission that the COLA and STEP increases are loaded into this budget.

Mr. Freeman, Chief Lowe and Mr. Lukowiak updated Commission on the status of the buyout provision. They reported very little interest among the employees they surveyed. After discussion, Commission agreed to leave the option in the budget. Commissioner Varnadore said she is absolutely opposed to a subsidy for the taxes the employees would owe on the lump sum. Commissioner Ball and Commissioner Cornwell agreed. Commissioner Williams suggested paying a portion as an incentive. Commissioner Cornwell said she would like to see the savings based on the actual number of positive commitments to the buyout, with and without the City helping with taxes.

Mayor and Commission

Each Commissioner has been allocated travel expenses of \$500 for meals and mileage to be used for any training or events they would like to attend. An amount of \$550 has been budgeted for the Institute for Elected Municipal Officials (IEMO) training for the new Mayor and at least one new Commissioner.

Commissioner Cornwell stated her preference would be to cut the budget down to bare bones and remove the budgeted travel allowances. Each Commissioner could come before Commission for any travel requests as needed, and a budget amendment could be done on a case by case basis. She asked the Mayor to review the memberships the City is currently holding; for example, Tampa Bay Regional Planning Council and Manasota League of Cities, etc. She wanted it made clear that if COLA's were not given that it began with Commission down. Mr. Freeman said that is the assumption.

Commissioner Varnadore asked staff to use its discretion and cut this budget from \$196,000 to \$175,000; travel being one area that she saw a need to reduce. She based that number on the fact that in 2007 \$162,000 was the actual budget for Mayor and Commission, the budget for 2008 was \$188,000 and year to date actual is \$114,000. Mr. Freeman said he projects \$169,000 through the end of the year, and she commented \$175,000 would give an additional \$6,000 for the coming year. She preferred that staff make the decision, but when pressed for specifics she said she will come up with her own suggestions.

Commissioner Williams and Commissioner Cornwell wanted to take a look at the health insurance options first. Commissioner Williams opined that he is reluctant to eliminate a COLA and STEP increases and then ask employees to pick up a portion of the cost of health care.

Staff will propose cuts to the Mayor and Commission budget. Mr. Freeman will look at travel, repairs, equipment and office supplies based on comments from Commission.

Commissioner Ball interjected that there is a considerable difference between the 2007 actual budget and the proposed 2009 budget; however, \$17,000 is an increase in personnel costs and \$13,000 is election costs the City is committed to, so that only leaves \$4,000 to play with. There may be better opportunities in other areas, but there is not a lot to gain in this budget. Commissioner Williams commented it is only an increase of \$8,000 over last year's budget.

City Clerk

Mr. Freeman reported that the Tax Increment Funds (TIF) payments to the Community Redevelopment Agency (CRA) have increased, which creates an increase in his budget. If TIF payments are removed, the City Clerk budget is actually \$526.00 less in comparison to FY 2008, even after factoring in an 8 percent increase in personnel costs.

Under Non-Capitalized Equipment Mr. Freeman explained that will include a new desk for the Commission office and an umbrella requested by staff for the picnic table.

Commissioner Williams asked what portion of the funds to the CRA will be coming back to the City. He said the CRA is increasing its Community Renovation Program by almost \$500,000. Tanya Lukowiak, CRA Executive Director, said the CRA covers expenses for the City in the amount of TIF funds so that the City always recovers those funds.

Commissioner Cornwell suggested deleting the new desk for the Commission office. Commission agreed.

Commissioner Williams asked that staff look into Sun Com phone service and look for ways to save.

Information Technology

The expenses for the IT Department are up by 25 percent for 2009. Mr. Freeman explained the increase was due to \$127,000 for software for the Police Department to make the COBAN police system fully functional. Complete software upgrades and maintenance agreement for COBAN account for the increase.

Commissioner Cornwell asked for an explanation of the Disaster Recovery Program. Geoff Campbell, IT Director, explained that he is looking into putting server space in the County's new Emergency Operation Center (EOC) building. A complete redundant system would be housed there, and the City could be up and running right away following a hurricane for example. The City could hook up to the servers stored in the Manatee County facility. Otherwise, the City could lose up to one month worth of data, have to replace all servers and make sure the software could be reloaded onto the systems. His goal is to have a solid Disaster Recovery Program.

Commissioner Lancaster asked if the vacant position will be filled. Mr. Freeman said it is has been budgeted. That position will be assigned to PD but would be a citywide resource. She inquired if all IT Specialists need cell phones. Mr. Freeman said they work at different locations throughout the day and need to be accessible.

Regarding COBAN, Mr. Freeman said when the system was initially purchased, there was an understanding that it would give PD the full functionality it wanted; streaming video and report writing, the capability to keep the officer out in the field. Now, upgrades are needed to get the system fully functional.

A lengthy discussion ensued on the additional monies budgeted for COBAN. Commission felt it had been totally misled on the capabilities of the system that was purchased. Commissioner Williams wants to know what the contract says. Mr. Campbell said he will prepare a point paper for Commission.

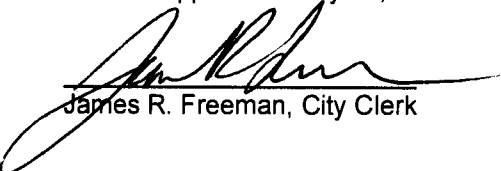
Commissioner Cornwell asked if the \$127,000 was a one time only fee, and Mr. Campbell said there will be yearly support and maintenance fees of \$8,000 for the system.

Chief Lowe pledged to meet with Geoff Campbell, Mike Mayer and COBAN and will provide some answers to the Commissioners' questions about what they perceived was being purchased. Commissioner Varnadore opined that what Commission was shown was not what was purchased. Commissioner Varnadore and Commissioner Ball remarked that we have managed for a year with the system we have; it might be possible to manage another year. Commissioner Williams requested that someone from COBAN be brought in to brief Commission. There was a consensus by Commission to continue the discussion of the IT budget to the next workshop.

Mr. Freeman asked to schedule some additional budget workshops. Workshops were added on July 15th and 16th from 5:30 p.m. – 7:30 p.m. (These are in addition to workshops scheduled for July 22nd and 29th from 5:00 p.m. – 7:00 p.m.) Regular meetings resume July 21st.

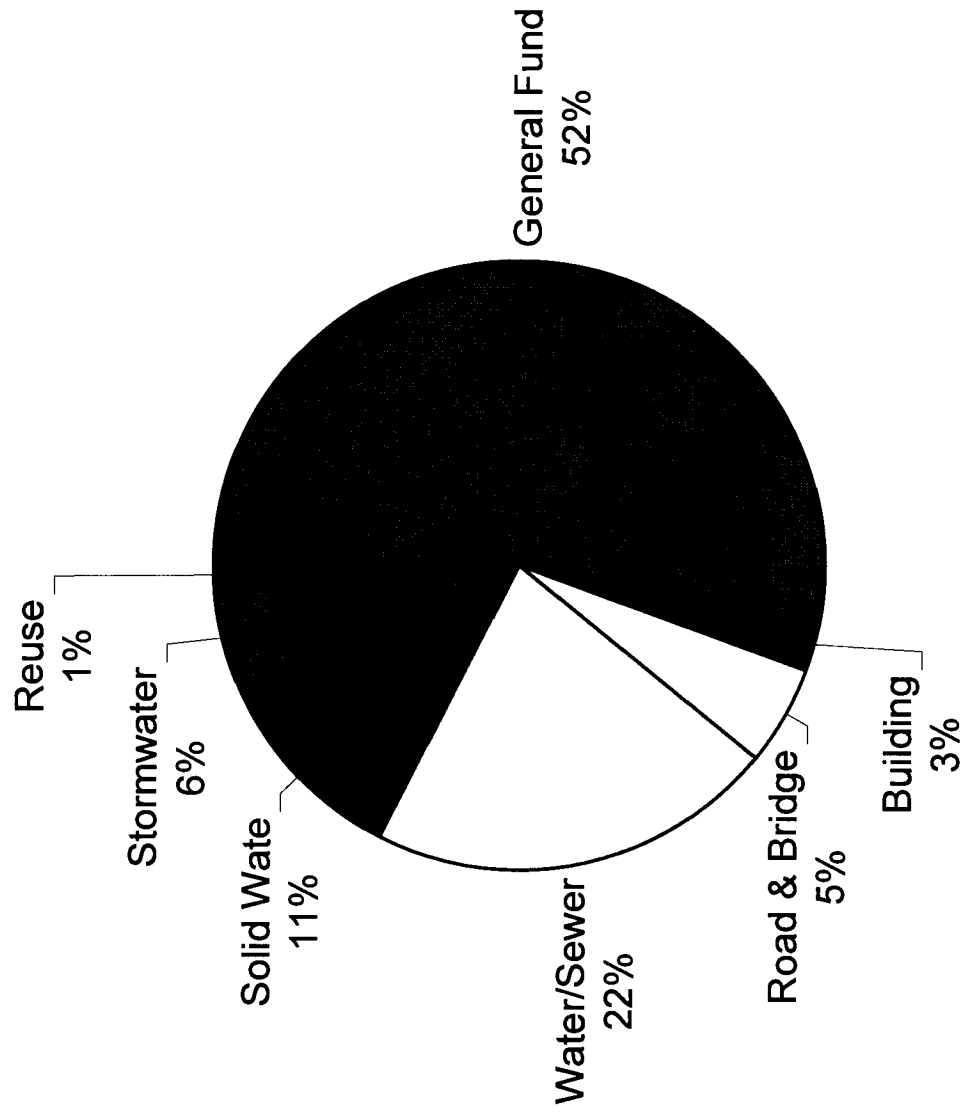
The meeting was adjourned at 7:04 p.m.

Minutes approved: July 21, 2008

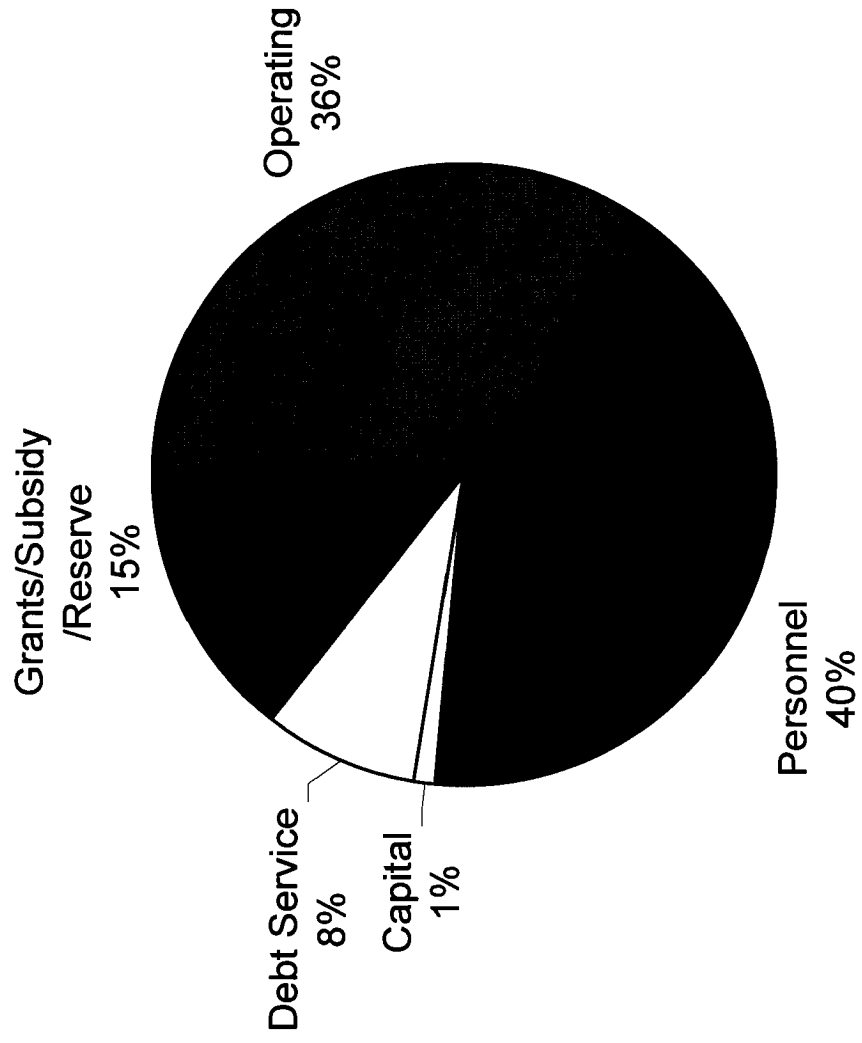


James R. Freeman, City Clerk

FY 2009 Budget Summary by Fund



**FY 2009 Budget
Total Expenditure by Category**



Employee City Vehicle - Take Home Usage

Number of Employees Driving Vehicle Home	46
Average Commute of Sample (Miles Roundtrip)	14
Daily Miles	644
Weekly Miles	3,220
Yearly Miles	167,440
Yearly Gallons of Fuel (Assuming 20mpg)	8,372
Price Per Gallon	<u>3.0386</u>
Total Yearly Cost	<u><u>25,439</u></u>

Assumptions:

Based on 20% sample (9 take home vehicles)

Based on 20 miles per gallon

REVISED
7/15/08

CURRENTLY LOADED IN THE FY09 BUDGET														
Cost Center	Projected 2008	Projected Surplus (Deficit)	Unreserved/Unrestricted Fund Balance EOY FY07	Projected Unreserved Fund Balance EOY FY08	FY09 Proposed Budget	Projected Surplus (Deficit)	Projected Fund Balance EOY FY09 Incl. Addtl Res.	Fund Balance Reserves	Transfer Revenue	Transfer Expense	Subsidy Revenue	Subsidy Expense	CRA Reimbursable Revenue to GF	Vacancy Expense
General Fund														
General Fund Revenues	10,663,823				11,144,998	No Bldg I. Fee			659,715				1,498,874	
Mayor & Commission	170,210				190,070									
City Clerk	2,298,358				2,676,434									
Information Technology	350,580				450,256									53,980
City Attorney	229,628				250,000									
Finance	496,295				528,191									
Human Resources	161,483				109,198									
Code Enforcement	145,827				161,778									70,505
Police	3,727,803				3,896,354									49,926
Public Works Administration	769,775				811,098									
Engineering	206,456				205,245									
Planning	252,605				274,298									
Fleet Maintenance	203,978				216,718									
Parks & Landscape	1,803,435				1,375,358									
General Funds Expenses	10,816,433	(152,610)	2,920,263	2,767,653	11,144,998		2,781,269	13,616						174,411
Building Permit Office														
Building Permit Office Revenue	159,082				159,082									
From Building Department Reserves	(386,370)				(396,163)									
Building Office Expenses	545,452	-	1,476,511	1,090,141	555,245	-	693,978			92,645				
Road & Bridge														
Road & Bridge Revenues	1,206,166				1,221,666									
Road & Bridge Expenses	1,085,987	120,179	886,728	1,006,907	1,221,666	-	1,060,703	53,796		206,053			150,000	
Solid Waste														
Solid Waste Revenue	2,125,076				2,444,853									
Solid Waste Expenses	2,141,336	(16,260)	203,153	186,893	2,444,853	-	411,274	224,381		33,354				
Water and Sewer														
Water, Sewer Revenue	4,740,101				4,997,100									
Water, Sewer, Customer Service and WWTP Expenses	4,669,327	70,774	598,291	669,065	4,997,100	-	896,453	227,388		226,336			150,000	38,725
Stormwater														
Stormwater Revenue	959,464				1,048,056								300,000	
Stormwater Expenses	975,177	(15,713)	(809,293)	(825,006)	1,048,056	-	(720,480)	104,526		57,519				
Reuse														
Reuse Revenue	179,596				187,212									
Reuse Expenses	85,548	94,048	(435,868)	(341,820)	187,212	-	(272,778)	69,042						
CRA														
CRA Revenue	4,239,704				4,713,670									
CRA Expenses	4,189,996	49,708	(204,410)	(154,702)	4,713,670	-	(154,702)			43,808				
City Wide Revenue Budget	24,273,012				25,916,637									
Building Dept Reserves	(386,370)				(396,163)									
City Wide Expense Budget	24,509,256	150,126	4,635,375	4,399,131	26,312,800	-	4,695,717	692,749	659,715	659,715	300,000	300,000	1,498,874	213,136
Funds														
	08 Projected Unreserved Fund Balance	1/12 of 09 Expenses (Net of Budgeted FB Reserve)	# of Months Unreserved Fund Balance	Required 3 Month Minimum	Surplus (Deficit) of Minimum Required	Budgeted Reserve per 3-Year Plan	Actual FY09 Budgeted Reserve	# of Months Unreserved Fund Balance at End of FY09						
General Fund	2,767,653	927,615.17	2.98	2,782,845.50	(15,192.50)	5,064.17	13,616.00	3.00						
Building Dept	1,090,141	46,270.42	23.56	138,811.25	951,329.75									
Road and Bridge	1,006,907	97,322.50	10.35	291,967.50	714,939.50		53,796.00	10.90						
Solid Waste	186,893	185,039.33	1.01	555,118.00	(368,225.00)	122,741.67	224,381.00	2.22						
Water/Sewer	669,065	397,476.00	1.68	1,192,428.00	(523,363.00)	174,454.33	227,388.00	2.26						
Stormwater	(825,006)	78,627.50	(10.49)	235,882.50	(1,060,888.50)	353,629.50	104,526.00	(9.16)						
Reuse	(341,820)	9,847.50	(34.71)	29,542.50	(371,362.50)	123,787.50	69,042.00	(27.70)						