

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.

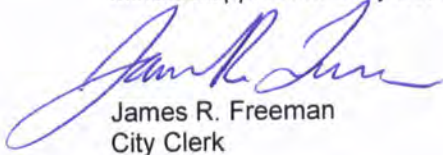
Mayor Bustle asked if Commission agreed with Ms. Varnadore's opinion concerning the 2% COLA. Mr. Williams reserved his right to review the budget. Commission concurred with the implementation of a 2% COLA, provided staff can locate the funds.

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.

Minutes approved: July 28, 2008



James R. Freeman
City Clerk