



INTEROFFICE MEMORANDUM

FROM THE OFFICE OF THE
CITY MANAGER

TO: The Honorable Mayor and Members of the City Commission
FROM: David L. Recor, Deputy City Manager
RE: August 28th Budget Workshop
DATE: August 25, 2008

Draft No. 4 of the FY09 General Fund Budget is attached for the Commission's review prior to our next scheduled budget workshop on Thursday, August 28, 2008. While the FY09 General Fund budget proposal remains \$40,139,481, the budget has been modified to include most of the Commission's feedback provided during our last workshop. Resources were reallocated and expenditures reprioritized in order to meet the Commission's directives.

Approval of the City Manager's early retirement proposal provided an opportunity to restructure the staffing levels in the City Manager's office resulting in immediate and significant savings to the General Fund. Note that the revised General Fund budget proposal includes funding for a single executive level management position in the City Manager's office. In addition, one of two Administrative Assistant positions in the City Manager's office has been eliminated in the revised budget. Note further that the Assistant to the City Manager job title has been changed to Communications and Marketing Manager to reflect the incumbent's role and responsibilities. These modifications have reduced FY09 Personal Services expenditures in the City Manager's office by more than \$189,000. Operating Expenses in the City Manager's office have also been reduced by \$6,200.

Personal Services expenditures in the Planning Department have also been reduced by \$51,687 in Draft No. 4 of the General Fund Budget. The Commission may recall that Draft No. 3 allocated funding for half of the Deputy City Manager position in the Planning Department's budget for FY09. These expenditures have been eliminated from the Planning Department's budget and are now reflected entirely within the City Manager's office budget proposal and included in the \$189,000 savings referenced above.

The Building Department's Operating Expenses have been increased by \$100,000 to fund demolitions previously funded by the Fort Pierce Redevelopment Agency. In addition, \$50,000 has been earmarked for lot clearing in Code Enforcement's budget. Personal Services expenditures in Code Enforcement have also been increased by \$56,624 to fund an additional Code Enforcement Officer position resulting from the elimination of the Senior Code Enforcement Officer position.

Note that Draft No.4 of the General Fund Budget has committed significant additional resources to the Public Works Department in the next fiscal year. Personal Services expenditures in the Fleet Maintenance Division have been increased by \$41,602 to enable an additional Auto Mechanic to be hired. In addition, as directed by the Commission, \$280,000 in utility expenditures has been shifted from the Facilities Maintenance Division's budget to Line Item 4310 in the General Fund's Administrative account. With the concurrence of the Director of Public Works, specific utility costs remain in the department's budget; however, it is mutually understood that these expenditures will not be included for purposes of calculating the department's percentage of the General Fund in subsequent budget years.

Other changes to the Public Works Department's budget include the addition of one additional Maintenance Worker position in the Parks and Grounds Division resulting in an increase to the Division's Personal Services expenditures of \$37,858. The Temporary Employee Services line

item has also been increased by \$30,000 using funding previously identified for Capital Outlay in the department. Three Equipment Operator III positions have been added to the Streets and Drainage Division increasing Personal Services expenditures in the division by \$143,871. And, as noted above, \$30,000 in capital resources have been shifted to the Parks and Grounds Division to fund additional Temporary Employee Services in that Division.

The City Manager's office and Director of Public Works also discussed funding for replacement of capital and emergency repairs and agreed, consistent with the Director's budgeting strategy for FY09, that these expenditures would be addressed on an "as-needed" basis during the next fiscal year. For the Commission's peace of mind, resources are available in the Contingency line item in the event an expenditure of this nature becomes necessary in FY09.

Note that Draft No. 4 of the General Fund Budget does not include any revisions to the Police Department's budget proposal. The Police Chief has provided a written analysis of the department's Overtime expenditures and has recommended that funding for the replacement of three patrol vehicles be allocated from current fiscal year funds.

The Fort Pierce Redevelopment Agency's budget has been modified to reflect the total of all resources available to the Agency including Taxes, Licenses and Permits, Intergovernmental Revenues, Miscellaneous Revenues, Transfers, and Carry-Over Revenues for both Operating and Bonds. The Agency's expenditures have also been organized to reflect costs for Personal Services, Operating Expenses and Capital Outlay including identification of the category and source of revenue for each planned capital expenditure. New expenditure categories have also been created to distinguish the Agency's Grants to fund private organizations versus Grants to fund various programs and projects.

The City Manager's office believes that organization of the Agency's expenditures in this manner should form a good foundation to begin discussing what percentage of the Agency's resources should be committed to funding certain types of organizations as well as specific activities, projects and programs. In addition, staff will be prepared on August 28th to discuss the prioritization of expenditures in order to reduce the budget gap reflected in the Agency's revised budget.

Note that while it may be appropriate for the Commission to discuss the FPRA's proposed budget during our workshop, actual approval of the Agency's budget must occur with the City Commission sitting as the Fort Pierce Redevelopment Agency Board. With that said, consideration of the Agency's FY09 budget proposal will be scheduled on the Board's September 24, 2008, agenda.

If you have any questions, comments or concerns please do not hesitate to contact the City Manager's office for assistance prior to our budget workshop on Thursday, August 28.

cc: Dennis W. Beach, City Manager
Robert V. Schwerer, City Attorney