

MINUTES OF A BUDGET WORKSHOP OF THE CITY COMMISSION OF THE CITY OF FORT PIERCE, FLORIDA, HELD IN HISTORIC CITY HALL, 315 AVENUE A, FORT PIERCE, FLORIDA, AT 9:00 A.M. ON THURSDAY, JUNE 26, 2008.

Those present were: Mayor Benton; Commissioners Rufus Alexander, Edward Becht, Christine Coke, and Reginald Sessions. Those absent: None.

City Manager said welcome everybody. He thanks everyone for coming to this long anticipated budget workshop. He is going to spend just a few minutes summarizing the budget and where they have been for the last few years and where they are going. (Mr. Beach displayed slides during his presentation.) The document that is in front of them and what they are looking at here is a summary of revenues from 2006 through what is proposed for Fiscal Year 2009. If they have the General Fund Budget, it is on Page 1 of their General Fund Budget. This gives an indication of where they have been for the last few years. They will notice the total revenues in 2006 were \$38,617,000. In 2007, it was \$43 million. In 2008, they estimated it at \$41 million, it actually came in at \$44 million. It is important to emphasize of that \$44 million, \$3.2 million is the Heathcote Botanical Gardens transaction, which means they have at least a \$3 million obligation from that transaction. So their revenues really came in pretty close to what was projected, right at \$41 million. The revenues they are anticipating for the next fiscal year is \$38 million. If they will notice that is a reduction from what they anticipated last year of somewhere in the vicinity of \$3 million. What they have done, they have taken \$671,000 of the Fund Balance and appropriated that in order to balance the budget at \$38,676,000. The next slide shows a list of the expenditures for the last three years, 2006 through proposed 2009. This simply shows them the different figures and how they changed over the years and what each Department has been costing the City. On the last page of the handout, they will notice the expenditures in 2006 were \$42.7 million, in 2007 it was \$42.2 million, and the adopted budget in 2008 was \$41 million. What they are projecting is around \$41 million. The 2009 budget as it is prepared and as it has been shipped out to the Commission for review is \$38,676,000. This is about a \$2.4 million difference between last year and this year. What they want to do today is describe to the Commission in a great deal of detail exactly what those differences consist of. Understand that Amendment #1 reduced the ad valorem taxes available at their current millage levy and reduced it by about \$1.6 million. They have had some reductions in other revenue sources such as gas tax, sales tax, and so on. As all of them who are in business know, the economy has somewhat taken a tank and they are all having to adjust to that. That impacts just about all of their revenue sources and so on. Last year's operation was a \$41 million a year operation. The Commission has not authorized increases for the PBA or for non-bargaining in this fiscal year, so none of those figures are part of this. They did however approve the Teamster's contract early in 2007. But those are still outstanding. Even when they find a way to balance this budget, those issues are going to come back to the Commission in the near future. Let him explain how they came to the \$38 million figure. They actually took the reductions in revenue that they anticipated and asked each Department to reduce their budgets whatever percentage was necessary in order to accommodate that overall figure. He needs to emphasize again, they are talking about the General Fund and all the Departments in the General Fund. That is how the \$38 million figure was arrived at. Clearly that has a much greater impact on their larger Departments than it does on their smaller Departments. The Police Department had to find \$1.4 million to remove from their budget, Public Works had to find in excess of \$800,000, and the balance of the Departments had various figures depending upon their percentages. That is how they arrived at that figure. That is not how they should prepare a budget, but it is how they evaluate the impact of reductions on a budget. What their challenge is over the next few hours is to talk about the impact of this proposal and then talk about ways to minimize those impacts. What he would like to do is start with the Police Department and let them explain what this budget means to what they do. And once they have worked through that, he would like to have Public Works. He thinks those are their two greatest challenges in the things they need input from the Commission most on.

Chief of Police Sean Baldwin said as Mr. Beach said, their task for the **Police Department** was to pull \$1.4 million out their budget, which is 9.56% of their budget prepared last year. He will go through this and then he has seven or eight slides he wants to show them for information. As always, he starts with the opportunity to show them the crime trend since 1971. They will notice in 2006 and 2007 it shows a reduction. And year to date is another

5% reduction in the crime rate, which is very encouraging. He will give an update on what their staffing status is, as it is important as they go into this discussion. They currently have seven positions that were unfunded in the Fiscal Year 2008 budget. Since earlier this year they have frozen positions, which has resulted in six more positions being frozen. If they recall, they did a staffing study a couple of years ago which recommended that they add 17 positions, which they had never done. So their total staffing deficit today is 30 positions. He wants to give them an update on the FPRA grant. It is moving along actually very well. They have done a great job of recruiting and hiring people to fill those positions. There were authorized 14 sworn positions and one support position. They have eight sworn officers in training now. As soon as they finish that training, they will transfer people into the FPRA project. Right now they have three assigned to the FPRA project - a Supervisor, a Juvenile Crime Prevention Specialist, and a Downtown Officer - and they have one Support Analyst who has been hired. So they have about three more people to hire before they are completely hired. The training program takes about four months to get people through. They have a couple of people who are getting ready to come out of the program and a couple of people who are getting ready to start the program.

Commissioner Alexander asked who is he talking about in training?

Chief Baldwin said the new officers.

Commissioner Alexander asked is he telling him they are going to put new officers out in the field who should be trained officers?

Chief Baldwin said no. They hire the officers, who have to go through what they call a Field Training Program. It is about four months long, about 16 weeks. When they finish that training program, they will put them in a patrol position; and then they will take one of their senior officers and move them from their patrol position into the community policing.

Commissioner Alexander said the reason he asked is, he was thinking those 15 officers should be veteran officers.

Chief Baldwin said they will be, the ones who are actually assigned will be. The new officers have to go through training. They will replace the veteran officers who are going to be assigned for this project.

Commissioner Alexander said he just doesn't see them benefitting from a rookie out there trying to deal with something that their regular officers...

Chief Baldwin said right now they are still training new hired officers. In the end when those officers are trained, they will have veteran officers working for the FPRA Community Policing Project. So they are getting what they are asking for.

Commissioner Coke said they are going to take their veteran officers and transfer them to this program. What they are doing is hiring officers to replace the veteran officers on the regular patrol and they are not part of this community policing project.

Chief Baldwin said if he has a veteran officer right now working a patrol assignment and he is going to go into the community policing, he has to replace him before he can move him. So the new officer is being trained to replace the veteran officer who is going to be reassigned.

Commissioner Alexander said okay.

Chief Baldwin said he is going to go over a broad view of their budget proposal, what the impacts are, and how they came to their \$1.4 million reduction. Their total budget for Fiscal Year 2008 was \$14,728,000. 9.56% of that is \$1,408,000. So their target for Fiscal Year 2009 budget is \$13,319,000. How do they get there? When they went through and calculated their operating needs for next year, they actually showed an increase in their

operating expenses of about \$172,000. He can get into exactly what that is, he has a detailed listing. But generally it is increases in fuel, utilities, ammunition, and things they need that are set by market prices. They actually reduced quite a bit of their operating expenses, things like the phone lines and fax lines. They went through their budget thoroughly and reduced a lot. Unfortunately, increases in these other areas has brought their operating up and above what it was last year. They have offset that reduction in their capital expenses by virtually eliminating all of their capital expenditures all together. He talked in his transmittal memorandum on the budget about how that strategy includes not purchasing any cars and in the long run how that is going to create a liability for them in the future. The bottom line is, when they take out the operating and the capital, the only other place to get to this money is from personnel services, and the result of that is a \$1.4 million cut from personnel services. This chart shows them what they have unfunded in this current year's budget. In Fiscal Year 2008, they have seven positions that are unfunded. They are going to carry those through Fiscal Year 2009 and they are going to add another 23 positions. That is roughly a total of 40 unfunded positions in this Fiscal Year 2009 budget proposal. Essentially what that does is bring their staffing level back to where they were in 1990. Their staffing deficit, this is proposed unfunded, a total of 40 unfunded. They were recommended to increase their staffing from the staffing study. If this budget is approved, they will be working next year short 57 people.

Commissioner Coke asked when the Chief talks about going back to the 1990 level, does that include the new 15 officers for the FPRA?

Chief Baldwin said none of this discussion includes the 15 officers. He is going to tell them why. He was given very specific instructions not to use those officers to do regular police work. So that is why he left those out of this. They need to keep in the back of their mind that is there, obviously. But that is the reason why he left them out.

Commissioner Alexander asked is Chief Baldwin telling him today that he is hiring new officers to replace the community officers, but yet he is going to turn right around and dismiss some senior officers?

Chief Baldwin said he forgot to say - he doesn't recommend any of this. If they read his transmittal memo, this budget is not his recommendation. His recommendation is to staff the Police Department with what they need to get the job done and keep their community safe. He was directed to cut his budget by 9.56% and that is what he has done. What he is trying to communicate to them is what the impact of that is. It is not his recommendation. He doesn't want to do any of this.

Commissioner Coke said when she is looking at a \$2.8 million reduction from the \$41 million budget last year, it appears to her that is a little bit under 7% rather than 9.6%. Can they tell her why the Chief has an extra 2.6% cut?

City Manager Beach said when they started this process, they started with one set of figures, and those have changed as they have updated their revenue projections. It could very well be less than that at this point. But these projections were based on the 9.6%.

Commissioner Coke said these reflect almost a 10% decrease. And the actual figures they are being given here is just at 7%. So they already have a 3% variance in what needs to be cut.

City Manager Beach said they may have. He wouldn't want to say that they do without assessing it in more detail.

Commissioner Coke said she is just looking at \$2.8 million compared to \$41.1 million is a 7% decrease rather than a 9.6%.

City Manager Beach said that is correct. But as they may recall from previous attempts at budget changes, there are portions of a budget that are not movable. For example, their electric bill is not movable.

Commissioner Coke said she understands that; but she does also understand percentages and numbers.

Ms. Gloria Johnson, Assistant Director of Finance, said the reason for the difference is that Department 6000, which is the Administrative Department, they could not reduce anything in that department; and it is about \$8 million in expenditures they could not cut because those are necessary expenses.

City Manager Beach said that is the point he was trying to make. If they want to cut 10% out of the budget, they have to go more than that in order to accomplish that in specific areas, because a portion of the budget is fixed and is not adjustable.

Commissioner Becht said he tried to work through the General Fund proposed budget packet for the Police Department and it appears that somebody chose this occasion to restructure all of the accounts. So he cannot, with the information that has been provided to him, make any intelligent comparison of where they were and where they want to be. His concern with that is, he could - he is not saying he is - take his fingers as being skewed to cut personnel instead of cutting capital expenses and other things that could be cut, because he can't figure out where they have made cuts or haven't made cuts in the budget material he has been given because the columns don't match up.

Chief Baldwin said he may be correct on that. He knows for a fact he is correct about that in the Personnel Services, because what they have done is correct an error that was made in the past where they were spreading their personnel across... They are putting their personnel actually where they are assigned, which is the right way to do the budget. The Operating and Capital, that hasn't changed. As they go along, he can show the comparisons.

Commissioner Becht said what would really help him is, if the Chief thinks it was done wrong in the past, have somebody go back and restructure the 2007 budget and put the numbers where they were actually expended so he can compare apples to apples. Right now they have him trying to compare apples to oranges and he can't do it. His point is, he can't give him any intelligent feedback today, because he is left here with the unanswered question - has the Chief shifted the cuts to personnel because he knows this Commission is going to be sensitive to personnel cuts, when in fact he could have cut capital expenses and other expenses and not had the political fallout.

Chief Baldwin said the capital and operating are apples to apples, just like they were last year in the budget. They can drag those line items across and compare.

Commissioner Becht said he can't. He already tried to do it with fuel and expenses, and fuel and expenses is zero in one column and then they have got...

Chief Baldwin said because there is one department that is zero. If they will bear with him, he is going to show them. He also provided in the budget transmittal memo, attached to that was a budget summary combining all of the departments comparing line items.

Commissioner Becht asked it is in here?

Chief Baldwin said no, it was in a memo he sent the Commissioners a copy of. Getting back to his presentation, these are the impacts of cutting \$1.4 million out of their budget.

Commissioner Coke asked can the Chief say these are the proposed impacts? Nothing is cast in stone or agreed to today.

Chief Baldwin said he will go further, he will say these are impacts he doesn't recommend, but they are in his proposed budget. He is going to go through these quickly. They should have gotten this information in advance. Eliminate the interdepartmental mail courier and also the crossing guards. These positions are part time positions. According to their City rules and regulations, when he starts laying off, he must start with part time employees. To be honest, he doesn't know how they are going to get the kids across the road safe if they have to lay off their crossing guards. Eliminate all non-emergency animal control services, they will cut two-thirds of their animal control units. Close the public access to the Ellis Substation, which will result in an actual higher savings with that because they will save in utilities and so forth. Eliminate all crime prevention services, that cuts two full time officers. Eliminate the personal switchboard and go to an automated system. Reduce criminal investigations by 20%. That is an important impact because there will be 800 felony cases per year that will not be investigated. Eliminate participation in the Joint Agency Task Force. That will reduce their drug arrests and those type of vice operations, which is hundreds of cases a year. Eliminate the Police Athletic League. Eliminate the Crime Suppression Unit. They are responsible for all the gangs, drugs, and vice investigations. Eliminate all traffic enforcement services. Eliminate their field community service aides. They will only have a few of those left. They would likely reduce their response time to calls by at least 20%. It will absolutely cut out certain service calls they do - arrest reports, VIN verifications - those types of things that the public appreciates, but they are certainly not emergency services. Elimination of the Police grant program, that is simply eliminating their Grant Coordinator. They have in the coming year's budget \$1.5 million worth of grants, so that obviously has an impact. Eliminate the patrol support unit. Eliminate the public information office, which is all of their media support. Obviously that has a tremendous impact. They actually start pulling back some of their Command Staff, eliminating the Captain positions. That has an impact on their oversight. Specifically that Captain has the bureau that the Community Policing Program falls into, so they will have to work on that. Finally they eliminate their Accreditation Program. Like he said, he doesn't recommend any of these things, but this is what it takes to...

Commissioner Alexander asked what is the Chief recommending then?

Chief Baldwin said if he can have his dream, it would be the funding he got last year plus the 17 officers the staffing study recommended. That is his recommendation.

Commissioner Coke said she is reading his budget transmittal letter. According to what the Chief is saying, he cut operating and capital expenses by .17%.

Chief Baldwin said that is correct.

Commissioner Coke said the only way she knows how to say this is, they chose to make less than 2% of this 9.6% cut in operating expenses; and the remainder of the cuts, which is another 7.5%, they chose to make out of personnel. She has a problem with that. She has been one of their biggest supporters. She had screaming matches with the City Manager about beefing up the police force over these past few years. She has gone up to bat every single time. She has a real hard problem with this proposed budget because it is scary. And she doesn't believe this is the only way it could be done. First of all, she is not going to say she is in support of the Police Department having to cut their budget by 9.65%. But she would be much more supportive had she received a proposal that was cutting operating expenses by 4.5% and personnel expenses by 4.5%. But to paint the bleak picture that they are getting rid of crossing guards and PAL and there is going to be nobody at the Police Department doing what they need doing. She would not want to be the one to say maybe they need to call the Sheriff's Department. There could have been another way to do this. The other way to do it would be, he is going to cut half of it from operating expenses and half of it from personnel. This document as presented is going to scare the general public. It is going to make everybody stand up and say they need their Police

Department and everybody else's heads need to roll. She for one just thinks it should have been a little differently and she can't accept this as written.

Commissioner Sessions said when he looked at this he asked himself, is the Chief out of his mind? He is talking about cutting half of the personnel of the Police Department and he is only touching a small percentage of .17% in operating and capital. He is not trying to put him on a spot, but this is ridiculous, there has got to be another way to do this. They won't have a Police Department if they accept this.

Chief Baldwin said he doesn't accept this. He has cried about this, he has lost sleep over this. They have worked on this for months and months. This is not something he wants to do. He doesn't recommend it. If they cut \$1 million out of their operating expenses, they are cutting their operating expenses in half. They run that Police Department on \$2 million a year. That is lean, it is as lean as it can be. He went over every line item. They can sit down and go over the nuts and bolts of every line item in these operating expenses. He invites them to help him find ways to cut his operating expenses. This is not a decision he takes lightly. It is not something he did with a strategy to scare everybody into saying, restore all the money for personnel, and then he doesn't get any cuts. If they will bear with him, he will show them why this happened in the operating and capital expenses. They did not increase their operating expenses more than a couple of percentages over the last several years. If they run a business, they know expenses have gone up. They just keep sucking it up. Two years ago they used that money to pay for raises. It takes money to run a Police Department. They operate 24 hours a day, 7 days a week. And \$2 million, he is telling them if they compare the budget with other agencies, they are lean. The only way for him to get to this \$1.4 million and still operate what is left of the Police Department is to have this money in the budget. He is not saying they cannot fine \$9,000 or \$10,000 to cut out of the operating. But he cannot find this \$1.4 million or even half of it out of operating. He will show them why, if they will just bear with him for a few minutes. He can see this is upsetting them. It is upsetting him. He didn't want to present this budget to them like this. It was something he was directed to do and he is trying the best that he can to follow that direction.

Mayor Benton said he knows this is just a small item, but the Chief mentioned cutting the Animal Control Officers. If they enacted the same licensing ordinance the County has, that should generate enough money to maybe hire more.

Chief Baldwin said that is a possibility. He may have some of these answers in his presentation.

Commissioner Becht said he doesn't mean to be redundant and he doesn't mean to be ugly about this, but it just seems to be convenient that this is the year that somebody chose to change the budget so he can't compare last year's operating expenses line for line with this year's operating expenses. He has glanced at the memo the Chief sent and it is not what he needs. The Chief or whoever on his Staff need to give him the comparisons line for line with last year's budget.

Chief Baldwin said that was provided last week.

Commissioner Becht said he just looked at what Commissioner Coke thought he was referring to and it doesn't match up with this budget packet he has here.

Chief Baldwin said nobody intentionally switched the budget around so that it is hard to follow. To be honest, they are having some pain following what is going on in the budget book. There needs to be some adjustments made. He is doing the best he can with a ridiculous mandate. He is not blaming that on the Commission, because it was the State that made a ridiculous mandate on the City. This is uncomfortable for every department who stands up here. None of these people want to cut their budget, none of these people want to reduce services to the City of Fort Pierce. This chart provides a summary of every line item in their budget. It puts all the different departments together so they can see what

the entire department spent on fuel last year and what their budget for fuel is this year, utilities, and for all the different items.

Commissioner Becht said that does appear to be what he needs.

Chief Baldwin said he is hearing the same kind of upset that he got when he was asked to do this. He understands it is difficult. He thinks everybody else who stands up here today is going to get the same response. This is a sensitive subject. He is not trying to bait, switch, and hook them. He is doing the best job he can as a professional Police Chief to deal with a ridiculous situation. If they will bear with him, he will explain the logic and how they got where they are. One thing he wanted to point out, on the righthand side of the screen is sort of the state of affairs in 1991. Their population and the square miles was 19.25. They had 108 sworn personnel and they answered 84,000 calls for service and made 2,000 arrests. In 2009, their population obviously has increased. He thinks it is much higher than this. This is all based on old statistics and old census studies. The square miles has gone up to 26.33. For this budget, they are going to do this with 98 officers, when back in 1991 they had 108 officers, and there are almost twice as many calls for service and twice as many arrests. The blue line shows the staffing level over time since 1986 and the red line shows the crime. They can see there is a correlation between their investment in the Police Department and what has happened with crime. He thinks it shows that as their staffing levels have gone up, the investment in policing in this community has gone up, crime has come down. Here are some ideas staff has had and are working on currently. Some of them are pretty close to being complete, some of them need some more work. These are ideas they have of ways they could increase revenue, not just as a tax, but a way to recover costs for these specific items or a way to reduce their call loads or other demands on their budget in order to mitigate some of this ridiculous mandate. He doesn't think they want to get into a big discussion about any of these items today, but he wanted to present them to the Commission. Unless three of them object altogether to any of these items, he will bring them back to the Commission one at a time and see if they can implement them over the next couple of months. The first one is a false alarm user fee. The Police Department is spending nearly \$400,000 a year to answer false alarms. Those are real costs, what it costs for an officer, a car, and fuel to go answer a call. They believe they can modify their ordinance and recover most of that. It will do two things. It will reduce the number of false alarms and they will recover their costs through the ones they can't reduce. A criminal investigation cost recovery. The statutes allow for them to increase their fees they are charging to convicted criminals for the crimes they commit. He doesn't think anybody has a problem with that. That is actually in place now. Crash investigation cost recovery, there are jurisdictions across the nation that are now billing insurance companies of the at-fault driver for crash investigations. He doesn't know how they feel about that, but they are going to present a proposal to do that. Something that is probably more controversial is, there are jurisdictions all over the nation and all over the state now that are putting cameras up at intersection and by ordinance they are actually issuing fines for red light running. It generates money, but the important purpose of it is to reduce crashes. What he understands from what the initial studies show, it can result in up to a 40% reduction of crashes, it saves lives, and it can also result in a significant amount of income to help cover traffic related expenses like traffic enforcement in those areas, crossing guards, and that type of thing. He thinks that is going to be a little bit more controversial for them to deal with, but staff will bring them a proposal.

Commissioner Coke said she doesn't want to beat this dead horse from yesterday's meeting, but two years ago they funded \$350,000 for a camera system to be put up to help deter crime and now it is two years down the road. \$200,000 is a great asset, it would be money coming into the Police Department's budget. But of course, they don't know what the cost for it would be. If it is going to cost them \$800,000 to install it, certainly it is not a cost-effective saving measure. But if it is a \$50,000 investment to start generating \$200,000 a year, it is something worth considering. Her concern is, if they are looking at doing this type of thing to assist in this year's budget, how long is it going to take to put that kind of thing in place?

Chief Baldwin said with that particular item, they may not see any revenue. In fact, the companies that do this recommend that once it is installed, that it run for six months and issue warning tickets with no fine established to it. There are some legal issues with this. They have studied and gone through it. Those are the kind of things that will take time to implement these projects. So there may not be a huge impact in this fiscal year from that particular item. In all likelihood in that particular item, it may be six months to a year.

Mr. David Recor, Deputy City Manager, said he was really glad when he saw the Chief's budget that he had included these revenue initiatives and opportunities to further reduce expenditures. He thinks the Commission is having the same reaction that he had to this. He has gone through the operating and he agrees with Chief Baldwin that in some of the areas he may be able to find \$10,000 here or there. But can he elaborate on two of the larger items in the operating and capital? For example, when he totaled up capital bureau wide, he is coming up with \$231,000 in capital. Now \$163,000 of that is in the grants bureau. Perhaps if he can elaborate on that. Second, consistent with what they talked about back in March in terms of use of overtime and more appropriately managing the use of overtime, he comes up with over \$900,000 in overtime in a proposed budget with 30 less employees. Can he talk about that a little bit? Because he thinks perhaps that is where some of the focus is. Maybe there is opportunity to come up with some larger savings in those areas.

Chief Baldwin said let him finish these other ones. The animal control licensing ordinance, he has heard some interest in that in the last couple of months. That has an opportunity to increase revenue. It has been tremendously successful for the County. They have had thousands of registrations over the last couple of months. So his plan is to reintroduce that ordinance. It will be drafted just like the County ordinance was and they can make whatever adjustments they need to make there. He would suggest that some of that money be set aside for enforcement purposes. That may help offset some of this. PropertyRoom.com is just a way of disposing found property in their evidence room. A special event security fee, this is something they are eventually going to have to talk about. The Police Department is providing between \$30,000 and \$50,000 a year in special event security for functions like Friday Fest, the Martin Luther King Parade, the Cattlemen Parade, the Christmas parade, and all of these special events. Some of them are City sponsored and others are sponsored by not for profit organizations. They may want to look at those. If they want to continue doing that as a general fund expense, he is okay with that. Or do they want to charge these organizations and recover some of that revenue?

Commissioner Alexander asked if they have a Friday Fest, would the Chief feel free if his officers were somewhere else except there where there is a mass of so many people?

Chief Baldwin said no. He thinks they need security.

Commissioner Alexander said that is their job.

Chief Baldwin said he is asking the City Commission. Do they think that the General Fund, the taxpayers should pay for that? He is for it. They have been doing it all along.

Commissioner Alexander said protect and serve.

Chief Baldwin said it is just simply offering options. A municipal fine collection, this would actually be much higher than \$10,000. They are currently referring all of their parking violations to the courts, which are collecting a fee. The courts are charging the violators even more than what it says on their ticket. He thinks they can revise that. Just in general, he thinks there is about \$500,000 of things they can do over the next year that would increase revenue, if they choose to do them.

Commissioner Sessions said the biggest one the Chief has is the red light camera enforcement at \$200,000. Has he looked into what other municipalities are doing that have adopted this concept? He is wondering what kind of impact is that going to have on the traffic division in the courthouse? Are they going to end up having to hire a municipal judge to handle a heavy load? From what he can see, they are going to make a lot of money, so there are going to be a lot of people who are going to be stopped here.

Chief Baldwin said their study says between 1% and 3% appeal. They have to set up an appeal process in the municipality, because they do not appeal through a County or Circuit Judge. So they would have to set that up and that would have to be in there. By the way, that number he provided is way under, based on what he is being told by other jurisdictions who are doing this. This is new. There is actually enabling legislation before the Legislature this year to resolve some of those issues and it didn't get passed. There are some people who say this is illegal and other people say it is perfectly legal. He thinks just last week Palm Beach announced that they were going to do it. There are plenty of jurisdictions across the State who are doing this. Again, it is controversial and probably they would have to spend hours talking about this if they are going to implement or pursue it. Again, this is brainstorming on behalf of staff of what they could do to try to offer some alternatives. He will go ahead and get into some of the details of their budget since there are questions. This just sort of brings together the information they have already seen. It shows what their Police Department figures were in 2008. It shows what their budget, allocations, and personnel services was. This is not exactly apples to apples because there are some grants and stuff included in the Fiscal Year 2008. Their funded staffing levels, they have already talked about that. They don't have exact figures for 2009, they are still working with the Finance Department on that. Let's get into the operating expenses because they appear to be concerned about. This is an overview of significant changes. They have reduced their consulting fees by \$12,000 at 26% and completely eliminated temporary services. They worked out a reduction in their crime lab expenses. That has gone up every year for the last 20 years. It is amazing they were able to do this. They cut \$18,000 there. Their utilities has gone up \$28,000. He can't control that. Their vehicle rentals they have reduced by 24%. They almost completely eliminated any rental vehicles for investigative purposes. They will find other ways to handle that. Their building maintenance has gone up. Again, this is one of those areas where they talk about the space needs. The Fire Department has actually condemned the kitchen facility at the Police Department, not officially, but they made them take the stove out and all of that until they get fire suppression equipment and all of that in there. That needs to be done because they operate their Emergency Operations Center out of that building. That needs to be done, but they took out the \$10,000 for it. Just not do it and take their chances. Vehicle maintenance has gone up, vehicle parts has gone up. That is because they will not be purchasing any new vehicles and it will cost more money. It is amazing what Public Works does with the funding they provide to them to take care of their cars. It is absolutely amazing. When they looked at these numbers, that is the minimum amount, because they are having to replace engines and things like that which keeps the cars on the road for a couple of more years. Their volunteer program has gone up. That is because they are adding an Explorer Program and some services. They can cut that out. He doesn't recommend it, he thinks it is going to be important to do that kind of stuff. The increase in fuel cost was the biggest increase. That in itself was a \$137,000 increase. They are working on it. He is hopeful that they are going to expend far less than that. Staff is working on a comprehensive strategy to reduce their fuel consumption. They just had two officers who lost their take home cars yesterday because they let their cars idle while they were answering a call and just wasting gas. That action alone he is sure over the next couple of weeks is going to reduce their fuel consumption by 10% or 15%. They are being very proactive in that regard because he knows that is a sensitive subject. And he knows at some point if this expense goes to a certain point, they are going to start looking at the take home vehicle program, and it is responsible to do that. So he is going to do absolutely everything he can to bring those costs down, but frankly he has to budget for it. Fuel is still going up in cost and he doesn't know where that ends.

Commissioner Becht said the Sheriff is experimenting with a gadget he thinks is technically called the Hydro 4000. Is the Chief following that?

Chief Baldwin said absolutely, very closely. As gas prices go up, all of this stuff gets more important. They are waiting to see what the results are or what kind of damage it does to the engine or anything like that. They are watching that very closely. Also there are some spark plugs that purportedly save 10% to 20% of gas. They are looking at that. They are working closely with the Fleet Manager. Mr. Hood's Fleet Manager and the Police Department's in-house Fleet Manager went to Polk County, where they are driving Impalas now instead of the Crown Victoria because they save four or five miles per gallon in expenses. There has always been a disadvantage for the Police Department to do that because their garage is tuned in to maintain the Ford Crown Victoria. There is some overhead expenses to switching to another type of car. But as the fuel prices are going, they have closed in on that gap. They were actually impressed with the program. Polk County has been doing it for about four years. They have a fleet of hundreds of Impalas. So he thinks that is the direction they are going to be going, if he can save four or five miles a gallon across his entire fleet. Obviously it would take six years to replace the fleet. But that in itself would be a 20% savings.

Commissioner Becht said Doug Anderson (County Administrator) told him he has these in some County vehicles and Sheriff Mascara obviously has it in some sheriff vehicles. That should be a 30-day trial program, so they may know something at the end of 30 days.

Chief Baldwin said he is hopeful. They can't put it on new vehicles because it voids the warranty. But after the warranty period, they can.

Commissioner Becht said the company has told him that they will make sure it doesn't void the warranty.

Chief Baldwin said Ford says it voids the warranty. It puts water into their gas engine. It is going to void the warranty. But it won't take long, they get to the 36,000 miles pretty quick, it doesn't take three years to get there in a patrol car. Their fleet is older, so it wouldn't take long. That is something they will definitely look at.

Commissioner Coke asked have they looked at going to a hybrid car?

Chief Baldwin said absolutely. Actually last year they initially proposed to buy four hybrid cars to give to administrative people. Obviously they cannot use them for patrol officers, who may get into a pursuit. But they cut all that money out of the budget this year for buying new cars.

Commissioner Coke said she remembers not too long ago approving purchasing some cars for the fleet.

Chief Baldwin said 14 pursuit package patrol cars. They don't make a hybrid pursuit car.

Commissioner Coke asked why didn't they flip them?

Chief Baldwin said he is not allowed to do that with the FPRA money. He was told that FPRA money was to provide community policing services.

Commissioner Coke asked they didn't buy any regular cars this year through the City budget?

Chief Baldwin said actually they did buy four earlier; but again, those were pursuit cars. He doesn't have any detectives or staff members who are driving vehicles that are pursuit rated that could be transferred into patrol. He is very sensitive to this subject. In fact, he is

the one who took the two cars away yesterday, so he is personally involved in this subject. They are going to reduce their fuel consumption.

Commissioner Sessions said in the joint meeting they had with the County, there was some discussion about buying gasoline in bulk in conjunction with the County in order to reduce the cost.

Commissioner Becht said after the hurricanes, everybody increased their storage capacity beyond what their needs are. The idea was a tank farm. But they are already buying in bulk together, so there is a joint purchasing agreement, which accomplishes what they were talking about. Staff had already done it. So in this particular instance they were ahead of the Commission, which is the way he would prefer it to be.

Chief Baldwin said he is committed to reducing their fuel consumption and making their fleet as green as he can. They have to buy green cars, but he doesn't have money to buy cars. But he will continue to work on that. Finally, the military supplies. It is only \$4,000, but there was an increase in ammunition. He can go through every line item if they would like to and talk about every line item in his operating services. If they can find a way or alternatives to save money in his operating account, he will do that.

Commissioner Becht said he went over there and talked to Stephanie Smith (Fiscal Manager). She says she can have what he wants tomorrow, but she didn't have all the data she needed in order to give him apples to apples until yesterday afternoon for some reason. He can have it tomorrow and he can deal with that. But he doesn't have it today, because apparently she didn't get something she needs until yesterday afternoon.

Chief Baldwin said if she can pull off a miracle and do that for Commissioner Becht, fine. But he is telling him, she can't do it. They spent all day yesterday trying to compare apples to oranges. Because in their fiscal year 2008 and 2009, they have grant funding mixed in with their budget. It is not the same. There are different grant projects, different grant areas. What he put up here is their funding and what they have in front of them is a spreadsheet that does not include their grant funding for operating capital that makes it very clear. There is no liability to the City in these grants, because it is federal money or other money that is coming into the general fund, except for the cash match. There was an increase in their cash match in their budget this year. If he is not mistaken it was \$65,000 last year and it is \$85,000 this year. It was a bit of an increase in the cash match because of their grant opportunities are bigger this year than they were over last year. He is going to submit to them that they have apples to apples in front of them in that piece of paper he provided. He can do this any way they want to do it. He can do it right here right now. He will make his entire staff available to any one of them at any time to sit and go through this line by line. Staff can tell them on every line exactly what all that money is going to spent for. To do this is going to take hours. They spent ten hours yesterday trying to go through all of that. Before that, 20 hours the week before last. Again, it is the Commission's option. Do it now line by line, it will take three or four hours. Or he will be happy to make his staff available to sit and meet with them for whatever time it takes to get them comfortable with what their operating expenses are. He is telling them, this is not a bait and switch. This is what it costs to operate that Police Department - 24 hours a day, 7 days a week - not in one facility, but there are four facilities across the City. This shows their software, radio maintenance, and other expenses.

City Manager Beach said so his total operating expenses are \$2.2 million proposed, which is an 8% increase over last year.

Chief Baldwin said he pointed out the significant changes and it summarizes the big ups and downs in the operating expenses. They saw some cuts. They also saw some increases that are just beyond his control.

City Manager Beach asked if he was to try to take \$500,000 out of his operating expenses, he would be shutting down the ability to...

Chief Baldwin said he would have to shut down stations and computer systems, he would shut things down. That is just the bottom line. He has to buy paper, he has to buy licenses for computer programs they use, he has to do all of the things any other business has to do in order to operate. They could cut \$70,000 out of their training expenses.

City Manager Beach asked they have to have those bullets, the military supplies?

Chief Baldwin said the thing is, they have gone through every single line item. The bullets, they now stock eight different kinds of bullets, different calibers. They have a grant to replace all of their hand guns. It won't cost the City a dime. So they go to one caliber, they can stock one caliber of bullet instead of eight calibers of bullets. It will save them money.

Mayor Benton said most of that is being used out at the range he would imagine, because there are not too many times an officer out on the street is using his gun.

Chief Baldwin said hopefully they don't fire all during the year. But at the most, it is a couple of bullets a year.

Mayor Benton asked all management goes to conferences around the country. Just so everyone knows, is he accurate when he says this is happening all over the United States? Every Police Chief is dealing with the same situation they are dealing with here.

Chief Baldwin said he just went to the Florida Police Chiefs Association Conference. He missed half of it because he was working on this. But this was a topic of discussion. He has sat through the Sheriff's budget presentation, which looks the same way. This is exactly what is going on throughout the nation. Let him go into capital, so they can have some level of comfort where they are going with the capital. This is a direct comparison, not including their grant budgets, between last year and this year. There are no building expenses, no other improvements. They have cut their office equipment and machinery by 9%. They just completely cut out any requests for furniture and they completely cut out any request for vehicles, etc. This is a detail of everything they are buying with City taxpayer money in terms of capital equipment. There is a desktop sheet fed scanner which they need to replace an item they have that is failing now. And replacement of computers and laptops for officers. They actually have officers who are working without computers right now and it is not efficient at all. Of course, if they cut 40 people out of the budget, he may have a couple of extra computers lying around. So they may be able to cut some of that back.

Commissioner Coke said suppose they cut 40 people. First of all, what percentage of employees would that be?

Chief Baldwin said again, they are trying to compare apples to apples and it is tough. They are authorized 166 employees. They have actually funded 159.

Commissioner Coke said so he is talking about cutting 25% of their personnel. She is not saying she is going along with that; but if they did that, would their gas consumption then decrease by 25% or a figure close to that and their office supply consumption and their overtime?

Chief Baldwin said undoubtedly some of it would reduce, but it is not going to be by 25%. They are still going to have 100,000 calls for service to deal with. Somebody has to drive to them. He doesn't think there is a direct... There may be a cut. In other words, they are talking about to get to that savings, they have to cut 40 people.

Commissioner Coke said she guesses her question actually was, if they look at one officer, they know the salary expense and they know the benefit expense. When he looked at preparing this budget cut, did he then also take into account the other expenses that relate to that officer, such as use of a car, replacement radio, replacement bullets, all the other equipment that goes along that enables that officer to be able to do his job? It is not just the personnel cut. Her concern is - and again she is going to say clearly that she is not agreeing with this - when they cut one person that saves \$100,000, there is also a direct cost associated with that person that is not included in personnel expenses. So if he prepared this cutting 40 people and taking away their salary without taking into account the other expenses that are incurred by the department as a direct result of employing that person, she would say he has cut more personnel to be able to balance this budget than is necessary. Because even if it is not a direct 25% cut, if they cut 25% of personnel, there will be a reduction in everything from paper clips to bullets. And she thinks that all needed to be accounted for in here.

Chief Baldwin said he thinks she is right and her hypothesis is absolutely correct. But he doesn't think the savings is as significant as she thinks it might be. A lot of their operating expenses... For instance, will gas go down? Yes, he thinks gas will go down.

Commissioner Becht said but if his operating expenses are \$2 million and he accepts her premise, do 25% of \$2 million and they get what?

Chief Baldwin said he can tell them there were some line items where they did not raise the budgeted portion because they were anticipating losing some staff. So they will have to go back and recalculate all of those. Ms. Smith just reminded him they also have 15 officers in the FPRA. The Department has to pay for their paper and their paper clips, so...

Commissioner Coke said that will be paid for by the FPRA.

Chief Baldwin said no, all the operating expenses for the FPRA are taken on by...

Commissioner Coke said no, that will be paid for out of the FPRA.

Chief Baldwin said he doesn't mean to be argumentative, but... Are there expenses for those 15 officers he could take out of their general fund operating expenses and put in the FPRA? There absolutely are and that may account for, he would take a guess, at least \$100,000.

Commissioner Coke said she guesses she is a little confused, because she thought they approved a budget for them that included cars and gas and...

Chief Baldwin said just the initial capital purchases that they needed to get started and their salaries. Actually in the grant it stated that they are going to assume all of the operational expenses. There is no doubt she is on to something with this; and if the Commission is willing for him to go back and calculate what that is and consider it, that is a possibility for reducing their operating expenses by at least \$100,000, he guesses.

Commissioner Coke said she is not looking to do that today. Her concern is, that is how they should have done it initially. Because if they were looking to begin a program and fund it, she actually wanted to know the actual cost of it. She didn't read the operational cost was to run through the Police Department. She assumed that \$5 million or whatever that they dedicated was going to cover the entire cost of the program.

Chief Baldwin said he would be happy to figure that out and put it in some kind of memo so everybody can see it.

Commissioner Coke said her concern is that she went into the community policing program with the understanding in her mind that this was the dollar amount assigned to it. Now six

or seven months later she is finding out that of the dollar amount assigned through the FPRA, there is another \$100,000 worth of costs to the Police Department. It is her own fault for assuming that all the costs involved were in that dollar figure. She does wish somehow they can get the message out. It has happened to them before, not just with the Police Department. They say they are going to do something and this is the cost and they approve it and six months later the cost goes up 10% or 15%.

Mr. Jon Ward, Director of Fort Pierce Redevelopment Agency, said at some juncture the FPRA officers are a component of the Police Department and there will be some overlap in operational capacity. For instance, they are going to have to go to a roll call and do a lot of duties that all the other officers do, and they will be absorbed by the Police Department. But if there is some operational costs FPRA needs to pick up, they can certainly take a look at that.

Commissioner Coke said she understands what he is saying. She is just saying that all too often - and maybe she is the only one - they approve a project or a program that she thinks is going to cost x-number of dollars; and then three, four, five, or six months later they find out there are other costs involved.

Mr. Ward said he is just saying there is some overlap there, but it would be minor.

Commissioner Coke said she is not arguing the other costs. What she is saying is, she would just be so much happier if she had an accurate portrayal of the costs up front.

Mr. Ward said he and his partner the Police Chief will work through those details as they implement the program.

Commissioner Alexander said that is why it is hard for him to swallow that they have 15. But Chief Baldwin says 14. Where is the 15th one?

Chief Baldwin said the 15th is actually not an officer, it is a crime analyst. So there are 14 officers and one crime analyst.

Commissioner Alexander asked he is not considered a police officer? What is he?

Chief Baldwin said a crime analyst and it is actually a she.

Commissioner Alexander asked he doesn't have crime analysts in his Department?

Chief Baldwin said yes, he does. But this crime analyst is providing additional services to support their community policing mission.

Commissioner Alexander said he just can't comprehend bringing on 15 additional people for community services and boot out 15 officers out the door because of a budget. He doesn't mean any harm or disrespect, but they just hired an Assistant Chief. They didn't know this was coming down the road before they hired an Assistant Chief? Is he that much in need of an Assistant Chief?

Chief Baldwin said absolutely. He cannot do this job without an assistant.

Commissioner Alexander asked he did though, right?

Chief Baldwin said it almost killed him.

Commissioner Alexander said he knows what that means, because this job here is about to almost kill him. He is serious, because he just can't understand how they can bring that forth to the Commission and they are going to boot 15 of their veteran officers out the door just to appease a budget when there are other ways to do it.

Chief Baldwin said he doesn't want to do that.

City Manager Beach said he wants to state again what the Chief has already said - this is not his proposal, he is not proposing to do this. What they are doing is trying to show the Commission what the impact is of an equal reduction throughout the General Fund in their revenue shortfall. Their revenue shortfall of course was created by Amendment #1 and the devalued real estate prices.

Commissioner Alexander said he just thinks they are beating a dead horse. If these departments are not going to bring them the true numbers, then why are they here today?

City Manager Beach said these numbers are to let them know what is going to happen if they don't take advantage of opportunities that exist and options that exist to close these gaps. This is information. It is not a proposal. It is information about the impact of the cuts that they have all experienced in their revenue stream. They have to find the solution to it. He is suggesting to them that they will find a solution to it.

Commissioner Sessions said so in essence, each and every one of the Department Heads is going to try to satisfy what his requests are. Has Mr. Beach had an opportunity to sit down with the Chief in light of what he is proposing given the fact that Mr. Beach, from what he is hearing, is trying to make this happen, make it a reality, and make it realistic? Has Mr. Beach and Mr. Recor gotten an opportunity to sit down with these Department Heads, or are they just coming up with these raw figures and presenting them to the Commission?

City Manager Beach said no, the Department Heads were told very specifically to prepare a budget that is x-percentage below this year's budget. They did that specifically to bring this information to the Commission. The Commission has to make some decisions over the next couple of months about how they are going to resolve it. They can't make those decisions unless they have the information about what is going to happen if they don't make some sacrifices, if they don't make some adjustments in revenue, if they don't look at alternatives such as the Fund Balance and other revenue sources to accommodate this. What staff is trying to say is, if they have to do this, they are completely capable of doing it. He wouldn't like it and the Chief wouldn't like it and the Commission won't like it, but they are still capable of doing it, if it is necessary. What they believe is there are other options they can look at that have to do with other revenue sources that will help them close this gap. Staff is asking for the Commission's input in that. As an example, on the Police Department's budget the kind of feedback they are looking for is either yes, let's move this thing forward and reduce the cost of the Police Department, or simply no, this is not what they want. If as a Commission they do not accept this as an alternative, ask staff to bring them another alternative; and when they say that, staff is going to ask them for some additional input on what those alternatives might be.

Commissioner Sessions said he would rather have seen a finished product and given Mr. Beach an opportunity to beat up on the Chief and get the figures in the right perspective from a realistic standpoint. As Commissioner Alexander just stated a minute ago, why are they sitting here beating a dead horse?

City Manager Beach said this is his 13th or 14th budget in Fort Pierce. Every year they try a different approach, a different strategy, on getting an agreement out of the decision makers, which are all of the Commissioners. They are the ones who make the final decision about this. Staff tries a different strategy each year. They always want them to understand the complications they are dealing with in terms of trying to make this balance. If he brought them a balanced budget and funded everything they wanted funded, which he can do, then they are going to have a six hour discussion about whether or not that is the way to do it. So the best thing from his perspective is to get the problem on the table and get feedback from the Commission on how to resolve it.

Commissioner Coke asked can Mr. Beach repeat that - he can bring them a balanced budget that is going to give them everything they want?

City Manager Beach said absolutely not. He can balance this budget that will work and he could probably get three of them to support it, but they are going to have to make decisions that they are not going to be comfortable with. Which is what they do every year. They all have been through a few of these budgets and they know they never get everything they want. It just doesn't work that way.

Mayor Benton said let's start with the initiatives that the Chief has proposed here, which is at least \$500,000 right there. He doesn't know how soon they can get those or if they have to go through legal. But if three of them agree... But when it comes to the animal control issue, it has generated considerable money in the County. But they are going to have to start charging for this. To him, this is one step in the right direction if they can save \$500,000. Maybe it is something, if three of them agree, that they can have ready to go by October 1st.

Chief Baldwin said what his recommendation is that they simply agree or concur if they want to consider each of those individual items and he will bring them to the Commission as individual proposals for their formal action.

Mayor Benton said he is one who agrees with the whole page.

Commissioner Alexander asked what about the ticketing for red light running, isn't that controversial now?

Chief Baldwin said absolutely.

Commissioner Alexander asked so why would they want to go get into a hornet nest now when they know other cities are catching the dickens from legislation about those things?

Chief Baldwin said other cities are also experiencing some success with this.

Commissioner Alexander said with a two million population. Fort Pierce just has right over 40,000.

Chief Baldwin said it is controversial. On that particular item, as long as there are three of them who at least want to explore it further, he will present the thorough proposal which will talk about all that controversy; and the Commission can make the decision whether or not it is something they want to pursue. Maybe it is something they should put on the back burner for another year to see what happens in the Legislature.

Commissioner Alexander said he doesn't want to waste the Chief's time.

Commissioner Sessions said when the Chief was giving his presentation, Mr. Recor spoke about some proposals that seemed to make this more realistic in terms of cutting back. It just appears that if Staff would get with other Staff, Mr. Recor and Mr. Beach, and Department Heads, they could make this thing happen from a realistic standpoint. He had some things he proposed that certainly appeared from the expression on the Chief's face that it is something that perhaps he could accept too that may make this more amenable to happen. He is wondering if they are taking the right approach with this?

City Manager Beach said staff knows what they want and they know what they want to accomplish. Their goal in these workshops is to try to pull out what this City Commission is going to accept and adopt. That is what they are looking for. Staff knows what they think will work and what they think is acceptable, but that doesn't mean that is what the Commission is going to accept or think is acceptable. He will state it again, he can bring them a balanced budget in two weeks; but then the debate is going to take on just a whole

new dimension, they will then start to talk about what they can reduce from that operation and not have to fund the entire thing. What he is wanting to hear from the Commission as it relates to the Police Department is whether or not they are willing to accept any type of reduction in the number of law enforcement officers that exist within this Department; and if so, how many? If the answer to that is none, then that is their answer and that is their direction.

Commissioner Becht said while he appreciates the position he is taking, he disagrees with Mr. Beach. He thinks he has brought them a balanced budget.

City Manager Beach said it is balanced.

Commissioner Becht said it is now time - to quote George Bush - for the deciders to make some decisions. He doesn't think they can push this back on Mr. Beach or push it back on the Chief to make this decision. They have to give them direction. Are they willing to accept the 40 cuts or are they not willing to accept the 40 cuts? And they have to go through the rest of the budget. They did this last year, if he recalls correctly. The Commission said they wanted them to cut this amount of money out, but don't touch Public Works and don't touch the Police Department. So part of their problem or maybe part of the Chief's problem is, they left him sacrosanct last year and said don't touch him last year. He thinks they have to go through this laborious process and they have to make some decisions and they have to give direction back to staff on whether they are going to cut this much out of his department or they are going to cut more out of Public Works or Planning or the Commission's budget. If he saw the numbers correctly, the Commission's budget goes up \$20,000. But that is only \$20,000, so in the scheme of things it really isn't huge.

Mayor Benton said just the insurance cost.

Commissioner Becht said but it does go up, is the point. He thinks it is incumbent upon them to make the decisions and give the direction back. He doesn't think they are going to have unanimity on the decisions they make. He thinks there is going to be a lot of 3-2 votes here on deciding and telling Staff what they need to do. To finish that up, because he is on a philosophical plane, at the end of this process he would like to send the budget up to Charlie Crist and tell him he is glad he could find \$1.7 billion to benefit U.S. Sugar, but Fort Pierce is cutting anywhere from 10 to 40 police officers because of some action he spearheaded.

Mr. Recor said one of the advantages in Chief Baldwin's presentation that he is sure they will be able to do the same thing from other Department Heads as well, but there may be components of his reduction strategy or his proposal that he doesn't support, that they can quantify. Yes, they can live with this; but no, they cannot live with that. And there is a dollar figure associated with it. So they will be able to give them direction on what they can live with and what they can't. Can they go back to that slide as an example? It is at the beginning, where they have identified the one full-time officer that does this or that. There is the beginning point. They have a dollar figure. Today's discussion is all about identifying impacts. Every Department that speaks to them will talk about what impact the reduction strategy has had on their Department's budget. There will be a dollar value associated with that. The Commission has an opportunity to either further reduce expenditures if it is something they want to support, or help them identify revenues to support it. They have given them a base to build from, because this budget is based on the current millage rate and not the rollback rate which is actually higher.

Commissioner Coke said for many years she beat the dead horse on employee dependent health care. It took her six years but they finally moved forward with that. For six years she talked about health insurance and they finally made some changes there. In early August 2007 she brought to the budget discussions... Having sat on the Retirement Board, she noticed that they pay up to 270 hours of both accumulated sick pay and vacation pay at the final rate of pay rather than the rate of pay it was earned at or accumulated at. They talked

last August, December, January about trying to get some quantitative figures on going forth from this point forward how much that would save the City. Unfortunately despite seven or eight memos they have traded all around, they have never been able to get those figures. It doesn't just affect the Police Department. But they have employees who are accumulating vacation time for six or seven years prior to retirement. Certainly they get an increase in salary. And what is happening is they are paying them all at their final rate of pay. The other question they talked about briefly last year was, when they talked about compensations for employees, the people who came in and did the study did not give them a benefit comparison. She thinks they asked him for that last year when he had just completed that study - how does their benefit package compare to other municipalities of their size? She thinks they need to be very fair and competitive, but she doesn't think they need to be overly fair and overly competitive. The other thing they talked about was, they all know for a fact that right before somebody retires they rack up those number of overtime hours that year. The Chief and she even talked about looking into limiting overtime hours per employee so that it was proportionate to what they had worked their entire working time, so they were not retiring with having worked 50 hours a month more overtime in the last year and bumping up the retirement that way. Not that those are going to solve a \$2.5 million problem. But she is a firm believer that if they watch their pennies, the dollars take care of themselves. She thinks they definitely need to start looking at that. She is a little disappointed that since August of last year she tried to get some of those figures on what those savings would be and she hasn't been able to get them.

Mr. Recor said every one of those ideas Commissioner Coke just suggested is a potential alternative. If they recall, they identified maybe a dozen items back in March - was there a consensus to move forward with investigating these additional opportunities to reduce the expenditures or increase revenues? There were nine items where there was consensus. They have made some progress in identifying tentative numbers. None of those ideas or suggestions individually is going to tackle the task they have been given by the Governor and the Legislature. But cumulatively, they can make a dent in it. For example, they evaluated the costs associated with an early retirement option. It just depends on the level of incentive that the City wants to provide. They have read in the newspaper and in their government publications that a lot of people are thinking about that. Those are some of the ideas they talked about. He has the follow-up list. So if they get to that point today where they would want some additional information and some actual dollar figures, staff can do that.

Commissioner Coke said that would have been very helpful today.

City Manager Beach said he thinks most of the things they evaluated have positive long-term consequences. They don't help them right at the moment, but over time they will help tremendously. Those are still under evaluation.

Commissioner Coke said she appreciates that those are not a quick fix and it is not going to resolve the issue today. But the saying is, a journey of a million miles starts with one step. They procrastinated, for a lack of a better word, on changing the dependent health care policy for almost a year before they got it in an official format for the Commission. Now that will save the City money. But it couldn't do it for the whole year prior while they were just talking about it. So she thinks if they have cost saving measures that they can look at now... Her goal is, this time next year this isn't going to be as difficult if they implement some cost-saving measures and policies now. She read that the County all of a sudden said no more out of state travel. She was very pleased to see that the City's travel budgets were down from last year, but they still have over \$107,000 worth of travel. She is not talking about car allowances or mileage, she is just talking about travel, education, and conferences, they still have over \$100,000 in that. When they are in this kind of a budget crunch, she thinks those are the things they should be exploring cutting before they explore cutting school crossing guards.

City Manager Beach said he agrees. He thinks the idea of efficiency or the idea of not doing things that simply don't make sense from a service delivery standpoint, they should never be doing those things. If there is anything that the City is engaged in that is not a response to a service demand or it is necessary in order to provide that service to the public, they simply should not be doing it. In his judgment, it is not a matter of whether they need to lop off certain things, they shouldn't be doing those things anyway if those are a bad idea.

Commissioner Coke said Mr. Beach may have it sitting there in his bag of tricks because sometimes he does surprise her. But it would have been so helpful if he would say here is the proposed budget that he knew they all weren't going to like and weren't going to happy with, and then pull it out of his little nifty bag and say if they cut this, this, and this, which are really activities they really shouldn't be doing, that will balance the budget and leave their Police Officers and Public Works and all the other Departments they need intact. Did Mr. Beach bring that list of those other things he is saying they shouldn't be doing to begin with and the dollar amounts associated with them?

City Manager Beach said his intentions over the past many years has to always only present those items for funding to the Commission that are worth doing, that they should be doing. They struggle with the idea of prioritizing. They like to think that Police enforcement is more important than code enforcement or building or something of that nature. And in fact, it is not. Everything they do goes hand in hand to build a better and safer community. They can't say that one has a higher value than the other. They all have value and they are all important. When they run into these financial problems, which they run into every year, that is when they start having to make really critical decisions. He would never propose cutting code enforcement so he could have more police officers. It all has to come down equally. Because if they are doing something that doesn't make sense, then let's just not do it.

Commissioner Coke asked are there expenditures in here that he felt didn't make sense?

City Manager Beach said absolutely not, or they wouldn't be in there.

Commissioner Coke said then she guesses she misunderstood what Mr. Beach said in the beginning.

Mr. Recor said he was using it as a metaphor or example.

City Manager Beach said they have had their Police Department presentation.

Mayor Benton said they can have the other presentations and then they can discuss the details.

Chief Baldwin said he apologizes, he didn't come up here with the intent to make anybody angry or upset. To be honest with them, he appreciates their concern, because it shows him how dedicated and how important public safety is to them. He also wants to thank Mr. Beach for putting him on first. All of them owe him lunch or something for being the sacrificial lamb. But this isn't a trick, this isn't a list to see how painful they can make it, this is reality. He has heard a couple of good ideas from the Commission and he will take those back. He will see if they can work through the FPRA thing and some other issues to see if there is something they can do. It is not going to get to \$1.4 million.

Commissioner Coke said if this is the worst case scenario and if this is what they have to do. Let's say they accept Mr. Beach's premise that the cuts should just be proportionate all the way down the line. Let's say they accept that. With these proposed cuts in services and personnel, do they then even have enough of a Police Department left to say they have a Police Department?

Mr. Baldwin said they have a skeleton of a Police Department. The Police Department can then provide emergency services, but will not be doing prevention and those types of

activities. Those ancillary services that are important to their community and are important to the success of policing and the reason why their crime rate has been going down, they won't have that.

Commissioner Alexander said the Chief came up with 57 total employees. Does Mr. Beach have a total number for everybody?

Chief Baldwin said he doesn't mean to interrupt, but before they use the number 57, it is actually 40. It is 40 unfunded positions. The other 17 was a recommendation that was made two years ago that they add additional staff. He put that in for informational purposes. Use the number 40 when they are talking about what might be cut.

Mr. Recor said he would actually prefer that they use the number 33, because 33 is the actual number of bodies that will be affected. There are 18 sworn and 15 non-sworn. There are 7 positions that are currently unfunded from last year. So the figure is 33.

Commissioner Alexander asked what is the total of employees out of all the departments?

Mr. Recor said 37 employees. Of that, there are 33 employees in the Police Department.

Commissioner Alexander asked Mr. Recor is telling him there are only 4 other ones out of all the other departments?

Mr. Recor said yes.

City Manager Beach said that is what they are going to learn as they go through these discussions.

Chief Baldwin said if any of the Commissioners want to sit down with him and go through the line items of the operating budget to try to help him save more money, he would be happy to have the help. Just give him a call and he is at their disposal.

City Manager Beach said the next department that is of tremendous significance in terms of what it does in the community and the cost is their Public Works Department. Mr. Hood was challenged with coming up with \$811,000 in reduction.

Mr. Bob Hood, Director of **Public Works**, said when he came to work this morning, he felt like he was going to his banker to see if he could get a short term loan to take him through some hard times, which he has had to do in his life. And really all he really has as collateral is just the fact that when he says he will get something done, he will get it done, and his smile. They have his budget proposal in front of them. He did take a different path than Chief Baldwin did. This is not the first year he has had hard times that they are budgeting for and this could go on another year or two. But they are going to have to make adjustments. This year he thinks they will see in the budget presentation they have chosen to try to make a reduction - they really didn't hit that \$800,000 Mr. Beach spoke of - by reducing their capital outlay categories to zero and their operating expenditures significantly. One of the things sometimes they run into is what is called rolling budgeting. That is kind of increasing or decreasing a certain percentage from year to year in each line account. Another way to do it is a zero based budgeting. That is a very time-consuming extensive proposition to take every line count down to zero and start over and approve of each expenditure. They have chosen to do in their operating expenditure what might be referred to as a modified zero based budget. They took everything back to about 80%. Where they had to increase budget lines, they did. Gas and oil, they increased by 30% almost everywhere to keep up with what they project as being a continuing increase in that account, utilities and that sort of thing. They have completely zeroed out all of their temporary services except in Parks & Grounds. That position is actually funded by the Solid Waste Department as part of their trash removal efforts. They have reduced significantly many of their contract services in the various divisions. There are five budgets

that Public Works has, just to clarify that. One of the things they are looking at is trying to keep as many of their employees as they possibly can. Not just because he needs them, it is the City that needs them. He does not pretend to stand here and say that their levels of service are not going to suffer. But he is not naive enough to think that their constituents out there are going to want to see major cuts in things. What they are trying to do is diminution of the quality of service and the frequency of the service. With that said, the City is growing and they are getting more projects, many times out of the efforts of the Fort Pierce Redevelopment Agency such as the parking garage. Some of their successes such as Orange Avenue improvements, A1A improvements, or getting certain parks restored, that is going to take a greater effort and greater expenditure. Jetty Park, the Inlet Linear Park, the parking lot, and that sort of thing is going to be an expanded responsibility. They tried to do it through a combination of reducing their capital outlay expenditures to zero. Does that mean they are not going to need anything or any replacements? No. What does it mean? It means he is going to have to stand up in front of the Commission and justify any requests he might make in this coming budget year. He is willing to do that. Hopefully they will see better times down the road - it might be in a year, it might be two years. But right now they have to shrink what they are doing. The voters have said that is what they want them to do, and that is what they are trying to do.

Commissioner Coke asked is she reading Mr. Hood's budget correctly that he is maintaining the personnel level at what it is currently?

Mr. Hood said yes. They have 84 authorized funded positions right now. They are down. Ten years ago they had 91, just to give them some idea. They will end up with 5 unfunded vacancies. Let him put that in a little different perspective. Last year one of their senior managers in Streets & Drainage retired. That Division is a citywide seven days a week operation. Its budget is about \$2.5 million. Right now it has 23 employees. It does not have a manager. They chose not to replace that manager last year in order to save some money. Nick Mimms (Deputy Director of Public Works) and himself have been acting as that manager.

Commissioner Coke said they are doing a fine job, both of them.

Mr. Hood said they decided to do it again in order to save some of the employees that they have. Just to give them an idea, that is a bigger budget and more employees than any other single department in City government except the Police Department, just that one Division. They have some good people and they really help them a lot. To answer Commissioner Coke, they are trying not to reduce it any more than the 82 authorized and funded positions they have right now.

Commissioner Coke asked so they cut their budget by 9.6% and maintained their personnel at the current level?

Mr. Hood said they have so far. They are right at the tipping point. He told the City Manager and the Deputy City Manager that any further cuts, except for some minor ones, they would have to start looking at people.

City Manager Beach said all of them are aware of this, but everything they see maintained and kept in good condition throughout this community is a result of Public Works. He doesn't know how they do it, because when he got here in 1995 he thinks they had more staff then than they have today. They have added six square miles to their municipal boundaries. And Public Works just keeps on cranking it out. They do an incredible job. He is always reluctant to support or encourage any type of reduction in that staffing level simply because of the visible value they see every day and that everybody else sees in the community.

Mayor Benton asked how much do they spend on maintenance of trees in the City? He sees Mr. Hood subcontracts that out and the trees are cut pretty regular. What are they spending on that?

Mr. Hood said that is one of the items they are cutting out. Right now they have about \$115,000 budgeted. They piggyback off a contract from the Utilities Authority for Asplundh Services. Over the last several years, that has been pretty much a twelve months a year service. In fact Asplundh, and before that Trees, Inc., hired a crew just for the City of Fort Pierce in what they have to do. They park the truck and chipper they use every day in the Compound. The good thing for Public Works is, they don't have to retrain everybody and show them where to go. They get used to working with Public Works. That is the good part. The bad part of that and what they will lose this coming year is their ability to have that crew. Asplundh cannot have a crew if they only have something to do in the City one day out of seven.

City Manager Beach asked the result of that is going to be what? What are they going to see different as a result, bushy trees?

Mr. Hood said that is what they are going to see. It is what he said earlier, it is the quality of the level of service. In some cases it is just a level of service. It does not mean they will do without. Public Works has a bucket truck and a tree trimmer. He has gone out primarily over the years and cut those things that are an immediate threat to the life and safety and that sort of thing. What it means by cutting back on this contract is that he will still do those demand services, but they will not have every tree trimmed up in time for hurricane season and that sort of thing they did over the years. Right now they are working out on the beach to trying to limb up some of the sea grapes in a couple of the parks.

Mayor Benton said the reason he brought that up, being in that business, one thing he has learned if they want to talk about going green is... He will specify the cabbage palms. It seems like in the past they have been cutting them several times a year where they just basically have three or four fronds left. Environmentally that is not good. Those should have a full canopy, just like along the Riverwalk. Yes, they get brown. But instead of trimming several times a year, once or twice a year would be plenty. They should have that full canopy because there are a lot of animals that live in these trees. And it has been brought to his attention over the years, but it is amazing, even property owners and condominiums, when they have had to cut back with their budget, that is one thing they have done is cut back on that. Yet they can't leave the coconuts on these trees because they are a liability, but some of the other trees... During a hurricane those fronds, unless they are ready to snap off, aren't going anywhere most of the time.

Mr. Hood said the Mayor is correct and knows more about it than he does really. They do not try to do storm cuts like they see in a lot of places because it is detrimental to the plant.

Commissioner Alexander said this year alone, with the added work Mr. Hood has acquired with a smile. He heard Mr. Beach say six miles of annexation. How many employees came along with the Jetty Park and the Causeway Park on Seaway Drive? How many employees did he bring on to assist him in any of that?

Mr. Hood said none.

Commissioner Alexander asked with all that added responsibility and them annexing individuals into this community, how are they going to be able to take care of them and their needs? Because they don't live in a city environment, they live in a country environment. So the swales and all of those have to be taken care of, Mr. Hood is going to get all these extra calls and he is not going to be able to accommodate these people. His concern is the level of service should not be below par because of today. He is not just supporting him only by word, but he won't let anyone disrespect him, because he kept this City above. And he guarantees no one can find fault in Mr. Hood and his Department, because they are all

doing an excellent job. He just doesn't see burning out people just to please a piece of paper.

Mr. Hood said he certainly appreciates the kind words and he is sure the employees at Public Works do too. One of the things he wants to point out is, when he and Mr. Mimms and the other managers were going through and looking at what they could do, what was possible without sacrificing the employees they have right now. He thinks they have the greatest group of employees they have had in the 12-1/2 years he has been working here. He has worked in other places. He will tell them this is the greatest group of people that go above and beyond and are very qualified. In saying that, one of the things they looked at was reducing the types of preventive maintenance they did in some places. They used to take whole sections and go in and try to replace all the substandard sidewalk. They are not going to be able to do that any longer. They are going to have to do where it is a life safety issue. It will be on demand. That crew might work on that one or two days, and then they might have to go over and help the drainage crew for a couple of days on the swales.

Commissioner Alexander said he is looking at vehicles, it says zero. How can they maintain vehicles with the force mechanically? A man burns out just as well as a machine will burn out. So if he is saying zero equipment and they are already utilizing old equipment, somewhere down the line something is going to break. Pressure busts a pipe. He is not taking sides, but he would rather have him tell them what the truth is and not for him to decipher through it.

Mr. Hood said that is exactly what he is trying to do. Let him tell them the thinking on this. They have one Gradall. That is what cleans the swales and ditches. It is over 15 years old. It is kept in excellent condition by a very good operator. There are very good people in their Fleet Maintenance Division. It needed some work on it about a month ago. The lowest bid they got was \$15,000 plus. Their Fleet Manager, Mike Reals, who is new to the job, he got it down to about \$3,500 doing it locally and using parts brought in from Miami. It is those kinds of things they are going to have to do. They are going to quite honestly scavenge parts off one unit and put it on another sometimes. The other thing that is important to realize is that some of their equipment costs \$300,000 per unit. Their vacuum trucks for instance that suck the material out of the storm drains cost \$300,000 apiece. There are two of them. When he makes a recommendation for some capital outlay, he has to be very cautious in these times when budgets are tight. He is not talking about a \$1,000 expenditure, he might be talking about one significantly higher. The last street sweeper they bought two years ago was very expensive, it cost \$140,000.

Mayor Benton said the Chief brought up earlier that he suspended a couple of people because they left their vehicle running. He has seen that for years with the Police and some in Public Works, they are in their truck maybe having lunch and their truck is running. He thinks that is something they should initiate citywide - if they are not using that vehicle and driving it, turn it off. He has seen it especially in the Police Department where the car can sit there for half an hour while they are investigating something and they leave their car running. So he thinks they can save some serious gas money there if they have a policy about turning it off if they are not using it, if they can. He knows in a case where they are trimming trees, it is something they can't do. But whenever they can, they need to turn them off.

City Manager Beach said he thinks the bottom line as it relates to Public Works is, there will be a slight reduction in service. If they accept this budget proposal, there will be a reduction. Fortunately there is no staff proposed in this reduction.

Commissioner Coke said she thanks Mr. Hood for a fine job.

Commissioner Sessions said first of all he commends Mr. Hood for the work and hard effort he sees out in the streets of the City of Fort Pierce given the limited amount of manpower

he has. Is he proposing that all of the \$811,000 come out of the capital expenditures? That is where the reduction will come from?

Mr. Hood said they will reduce that of course. Last year they had over \$300,000 budgeted, but they did not spend all that. They prioritized those items and tried to get the highest priority items bought last year with the idea in mind that they didn't know how this Amendment #1 was going to impact them this budget year. So this next year, it is a leap of faith that he will not have to be before them in November or March making a presentation that he needs x-amount of dollars, because the only place they are going to have to take it from probably is the General Fund balance for a piece of equipment. They are going to ask him hard questions - why does he need it now, what is he going to use it for, is there any other work around he can do? He is just going to have to be prepared to present that to them and convince them of the need for it.

Commissioner Sessions said he doesn't mean to open up a can of worms, but when they look at the contracts he has now taken the responsibility of doing in-house and the work load he already has in place in addition to the active annexation policy of the City, that this is one Department they are going to be able to get around adding personnel to real soon if they are going to stay on top of the water. Just to throw that out, he thinks that is where they are headed with this. They are going to have to add some people to Public Works real soon from a personnel standpoint.

Mr. Hood said every time they see one of the Public Works employees, thank them, because these men and women are doing yeomans work.

Mayor Benton said his people are doing an excellent job.

City Manager Beach said what they will hear next is how the **City Attorney** is going to reduce the cost of his operation from where it currently is to around \$650,000.

City Attorney Schwerer said the only thing he has to say is that he presents a budget every year which he believes is the bare minimum to provide for general services to the City. What they see in the budget here for the last three years is the difference between what they provide in the beginning of the year and where they end up at the end of the year is solely related to litigation expenditures and litigation contingencies.

Commissioner Alexander asked where is he?

City Attorney Schwerer said he doesn't have a presentation that is in writing. (See Page 14 - General Fund Proposed Budget) For instance, take this year of 2008. The adopted 2008 budget is going to be exceeded because they have had a number of extremely complicated and difficult lawsuits to deal with. It is important to understand that they don't have any litigation contingency in the City's budget. They don't have the ability to predict how many people are going to sue them, whether that is going to be a Federal Court case, whether they are going to have to hire experts to defend the City's position, whether they are going to have to take depositions which involves court reporter fees, whether they are going to have to travel to take depositions. Just the other day in a case they had a deposition video taped from a fellow from Australia. These are the contingencies that move the budget above what it is currently set. They try to budget in the beginning of the year what it will take for minimum staffing levels. They staff an office with four attorneys, all of whom are certified in municipal law. They have six support staff, two paralegals. They provide the services through that staff. The City Manager asked him to present a budget where they could shave 9.56%. They have done that. It simply comes from the legal fees and paralegal fees. That is all they have in their budget. They don't have anything else to go to. They have no operational expenses to speak of. They have limited expenditures in the office. Are they going to be able to do that? They will do whatever they can that this Commission asks them to do. But he would be remiss in trying to tell them that it is going to happen, because they already have lawsuits that are currently on-going that will go into

next year. It is based upon the workload in each of his divisions. They have three divisions in their office that furnish services to the General Fund. One is the Code Enforcement division. He can go through that in detail if they want to understand how many cases are in litigation with that. They have Civil Service, which would represent this management in all matters in civil service. Union contracts, they have litigation pending with two unions right now. They have made this reduction. It is shown now to be a \$68,000 reduction which will bring them to a level of \$648,000. That number is about \$130,000 short of where their average has been for the last three years. He doesn't know what else to say. They will do their best with whatever this Commission asks them to do.

Commissioner Coke said she doesn't understand the policy involved. She understand when they have lawsuits, she understands that the City Attorney's office handles all the Boards within the City, code enforcement and a lot of other things, and they have no control over a lot of those things. She has a level of concern though. For example, a couple of years ago it came to everybody's attention that the Civil Service Appeals Board had taken it upon themselves to rewrite their entire book and they were meeting - instead of as necessary to have a hearing - on a monthly basis with their attorney which the City pays for, and rewriting their book from top to bottom and having lunch at the taxpayers expense.

When they got all done with that, not only did they expend the funds for lunch and the City had to pay their attorney for something that nobody asked them to do or they didn't get approval from the Commission to do, but then somebody from the City Attorney's office had to spend hours going through it. It has been a year and a half later and it never did come to the Commission for approval on the rewrite. Her concern is, not that the fees are going to go up because they have things that cannot be helped, but she thinks at some point in time whether it is their office or the City Manager's office, they need to take better control over some people who are just going off on tangents and doing what they think is right without clear and concise direction from either this Commission or the City Manager. When she told Mr. Beach they were rewriting their by-laws, he said he didn't know anything about it. When she talked to Mr. Schwerer, he said he didn't know about it. But it was a huge expense for the taxpayers. They paid the Board's attorney for two hours a month for 14 months. She thinks people just take it upon themselves to run up bills for the taxpayers. Maybe when they were flush with cash that was an acceptable way to do business, but she doesn't think it is acceptable any longer. She doesn't know who should put out the direction that it needs to stop. But somebody on the third floor needs to.

City Attorney Schwerer said that is a good point. They did not ask for that work. There are some issues concerning that Board in particular, the Civil Service Appeals Board, and whether or not they are technically autonomous to some degree. They took some positions in that matter concerning those rules amendments; and that is why it is not before the Commission, because they are not necessarily agreeing on behalf of the Commission that that Board can unilaterally change some of the rules.

Commissioner Coke said that Board was established by City Charter. She knows, because she sat on it for six years. She knows they can make amendments; but to go through a complete rewrite, she is sure it cost the taxpayers a lot of money and it was not approved by anyone.

City Attorney Schwerer said he did want to point out they currently represent certain legal counsel to ten boards. This City is very pro-active. They have not only the usual typical boards, the City Commission and Planning Board, but they have a very pro-active code enforcement program, which is actually two separate and distinct processes - one is a Code Enforcement Board and one is a Special Master. Years ago the Commission asked them to prosecute those cases before the Special Master, so he has to pretty much assign a staff member to do that. They have the Board of Adjustment & Appeals. The Contractors Licensing Board is very active. The Construction Board of Adjustment & Appeals is where folks go to appeal condemnations and rulings by administrative agencies. In fact, they are in court right now on several appeals that folks have taken. They have a Historic

Preservation Board. Of course, they have a Civil Service Appeals Board where they function as the City's representative. And the Retirement Board.

Commissioner Sessions said Mr. Schwerer has taken his biggest hit actually from the legal fees. He takes it that is a reduction in terms of the hourly rate. What does that equate to in terms of hourly rate from what they are presently doing now versus what they are proposing in terms of a reduction? Does he have a figure?

City Attorney Schwerer said he doesn't. He doesn't necessarily equate it to the hourly rate, but as an attorney he might necessarily do that. What he is going to equate it to is, he has certain staff costs that are fixed. He has salaries he has to pay to attorneys, he has salaries he has to pay to paralegals, and he has salaries he has to pay to legal assists. Those are pretty much fixed, unless he wants to ask them to take a decrease and he doesn't think that is going to be very acceptable to his staff to have them take a pay cut. What they are looking at is this bare bones budget which is a \$68,000 reduction. What that will mean is simply that they won't be able to provide services. If they tell them to do that, they will have to cut back. But they certainly can't cut back on litigation. He can't tell the judge he is only going to be there for 8/10ths of the trial or he can't take a contract and say he is only going to work to Page 10 and he is not going to look at Pages 11 to 14. Really what it means is they will just have to cut back on services.

City Manager Beach said what he hears Mr. Schwerer saying is that the legal department doesn't have control over those costs. Those costs are a function of demand. They have had several lawsuits filed over and above what they typically have this year. What he is really saying is that \$648,000 figure in his judgment is not realistic. What the problem is, when he hits that figure then that means he is going to be coming back. If that in fact becomes the budget, then when it hits that figure, he is going to be coming back for an amended budget because he doesn't have a choice to stop. Does that make sense?

Commissioner Sessions said so Mr. Schwerer is not proposing any cost in reduction of providing the services at all. He is just predicting that they are going to have to cut back on the actual services themselves that will in essence encompass a lack of hourly rates that he would no longer be responsible and have to accommodate the City.

City Attorney Schwerer said their hourly rates are what is basically necessary to pay a fixed salary, so those are really not adjusted. They don't get any retirement, they don't have any health insurance, they don't have any car allowance, they don't have a cell phone allowance. So whatever hourly rate they submit is the basic cost of that service. It is not like they have any room to... They can take salary plus benefits and they have a number; and if they work that person 40 hours a week, that is going to be the number. He can't ask that person to take a decrease in their pay. All he can do is say don't work 40 hours a week, only work 32 hours. That is the only option he has. He doesn't have an option of reducing it moneywise. He just has to tell them not to work as much.

Commissioner Alexander said he hears them speaking about salaries and so forth. He asked Mr. Schwerer this before, because he didn't understand it, as far as a full time attorney versus... Mr. Schwerer gave him an explanation each time he asked him that. But at a time like this, is he still telling him it is best for them to have the legal department as they have it, or should they consider a full time attorney and hire whatever attorneys they need? Is he telling him with the benefits and the insurance and all that, that would skyrocket his budget for being a full time attorney?

City Attorney Schwerer said he had this discussion with all the Commissioners. There are benefits to going either way. But the answer bottom line is yes, this is a substantial cost saving for the City as far as they are concerned. It allows him to have flexibility with putting people on as needed and not keeping them on totally. Look at budgets from the County and Port St. Lucie and other cities. Many cities have what is called independent counsel. That is what they are. Their Charter allows them to have an independent appointed

counsel and this Commission sets that budget. Other cities opt to go with basically city employees and those employees are under the direction of a city manager. In his case, his employees are under the direction of independent counsel, which is himself as City Attorney, and report directly to the Commission. There are advantages. Moneywise, he doesn't think there is a question. If they staff a full time staff, those numbers are going to be way over what his budget is.

Commissioner Alexander said yet he can't, on a part time basis, direct his attorneys not to do complete a 40-hour week because they wouldn't like that, or is he just telling him that is not a policy?

City Attorney Schwerer said no, he is saying that as an attorney they have a professional responsibility to their client to do everything they can to represent them. They have two attorneys on the board. They have to do certain things as a minimum. They will have to look for ways to do optional things. For instance, projects in the office, when he gets a 52-page contract and attachments and they want that done next month, he may not be able to get to it if he doesn't have the funds.

Commissioner Coke said she doesn't think Mr. Schwerer is answering Commissioner Alexander's question. She thinks he is questioning whether or not if there is not 40 hours worth of work per week in the office for the attorneys, does he not tell them they are going to spend 35 hours here and get this stuff done, then they are off the City's clock.

City Attorney Schwerer said absolutely. They are off the City clock when they stop doing City work.

Commissioner Alexander said they ought to be a model city for other communities. If they can save the City so much money in a crunch time, they should have other cities trying to find out how they are doing these things, right?

City Attorney Schwerer said yes. He has had numerous calls. When he goes to the Florida Municipal Attorneys Association's annual meeting, which they serve on some committees, that is a discussion they always have.

City Manager Beach asked are they all ready to move to the next subject? He is trying to deal with those departments who are being most impacted by this change. The next one on the list is the Finance Department. Can Ms. Johnson come up and describe her budget and what the impact is going to be with losing two accounting people?

Ms. Gloria Johnson, Director of Finance, said the **Finance Department** was authorized to cut \$84,851 from their budget. This budget cut will in effect cause them to lose two employees. With that reduction of two employees, they now will have nine people in the Finance Department. One is considered a Risk Manager, who they sort of acquired by other means. She wants to give them some history on the Finance Department. In 1988 the Finance Department had 10 authorized positions. In 1998 they had 10 authorized positions. In 2008 they had 10 authorized positions. Now in 2009 they are requested to cut two people, so that leaves them with 8 people. She is going to give them a little history on the amount of services and what they do provide in the areas they cover in the Finance Department. In 1988 they had a total of 29 departments and the revenues were \$23,726,798 and the expenses were \$20,808,446. In 1998, ten years later, their revenues were \$40,109,555 and their expenses were \$41,672,020. Last year in 2007 there were 55 departments, their revenues were \$160,365,000 and expenses \$113,913,000. From 1988 to 2007, the percentage of increase was 576% as far as their operations. Fixed assets, they had \$13 million in 1988, \$16 million in 1998, and now they currently have \$196 million, which is a 1,318% increase. Their outstanding debt issues, they had three in 1988, they had four in 1998, and currently they have 11 debt service issues, which is a total increase of 1,601%. They do have two people they are missing, but they desperately need those people. This is going to severely hamper the Finance Department as far as services.

Commissioner Alexander asked how is Mr. Beach going to expect for departments as such can take a cut in employment and survive and do as he asks them to do? How does he expect that to come about?

City Manager Beach said the document in front of them is a reduction in each department necessary to achieve a certain reduction in the revenue that is anticipated. Whether these things happen or whether they do not happen depends on the process they go through over the next two months. He thinks clearly the Finance Department has been at the same level of employment for years; and with the exception of automation, the amount of work in their department is like every other department, the amount of work has absolutely snowballed with the amount of activity that is generated. They have difficulty now getting financial reports in a time frame that they would like them because of the workload that exists there. This is true throughout the organization. If they look at the staffing levels throughout this organization - he doesn't know how far they would want to go back, but he can track it back to 1995 fairly easily - about the only increases they have seen are in the Enterprise Fund accounts they have created. They have a Golf Course, a Marina, a Theatre, and the FPRA - all of those are new and those are where their additional employees are. The same employees, the same numbers that were operating 15 or 20 years ago, are still operating this City. When he came to work here in 1995 there was one active capital improvement project. That, they all would be interested to know, was Moore's Creek. Right now they have a list of 100 or more active capital improvement projects funded and underway. And that is being done with virtually the same level of staff they have had in that time period. So everybody is pushing hard. But to answer Commissioner Alexander's question, he doesn't expect them to.

City Manager Beach said next is the **Engineering Department**.

Ms. Tracy Telle, Assistant Director of Engineering, said the Engineering Department has a budget of \$1.47 million. And as directed, they reduced this budget by \$140,000; providing for a proposed budget of \$1,332,620. This proposed budget is providing to reduce the Traffic Engineer's work week to 32 hours, eliminating a funded vacant position, and the layoff of an existing position in their department. In addition, they have provided a reduction in operating expenses and capital outlay. Services that may be affected by these cuts are building and site plan reviews, stormwater compliance inspections, in-house designed projects, and project management.

Commissioner Alexander asked what page are they on?

Commissioner Coke said Page 61 (of the General Fund Proposed Budget).

Commissioner Alexander asked is Ms. Telle the Department Head?

City Manager Beach said Jack Andrews is the Department Head. Mr. Andrews is at a dance recital with his daughter.

Commissioner Alexander said he thinks it is important that they know these things. So they are not cutting any positions, right?

Mr. David Recor, Deputy City Manager, said two positions. One is unfunded.

Ms. Telle said one is a vacant position and one is an unfunded position.

Commissioner Sessions asked did Ms. Telle say the impact would be that they will not see the turnover rate with the site plan approvals?

Ms. Telle said correct. Fortunately or unfortunately, whichever way they look at it, those have slowed down a little bit.

Commissioner Sessions asked so is there a demand now?

Ms. Telle said they should be able to handle those. They are expecting a turn around; and if that was to happen, they may be approaching outside services or the review time may be delayed.

Commissioner Sessions said he was just looking at the proposed revenue on that particular item and he sees it was substantially reduced, so he would take it that they wouldn't need as much staff in order to have the ability to produce it in light of the fact that they are going to have a substantial lower revenue as far as that is concerned. It would appear it would be justified in light of that - low demand, no work. What is that person going to do now? When they were at their peak, they were turning around these projects on a higher basis. What are they doing now, sitting at the desk doing nothing?

Ms. Telle said no. They have quite a few stormwater projects that are designed in-house and managed in-house. So the stormwater account is not affected by the general account.

Commissioner Coke said she hears them saying one person. The way she is reading this, funded positions last year was 14 and funded positions this year is 12. So she is looking at this figure as they are missing two people.

Ms. Telle said they currently they have 13 filled positions. They have one that is funded right now, but is unfilled. So they will be eliminating that current vacant position and then one additional position.

Commissioner Coke said so they are actually going down two funded positions. Only one of them happens to be a real live human being.

Ms. Telle said that is correct.

Commissioner Coke asked a lot of the work that comes in that is to outside people, don't they charge fees for that? So it should be an income correlated to work they do for outside projects - reviews and things of that nature?

Ms. Telle said that is handled by the Building Department.

Commissioner Coke asked the Engineering Department doesn't review the plans?

Ms. Telle said yes, they do review the plans, but they don't have a separate engineer who reviews these. That is something they have looked at. She knows the Planning Department has review fees.

Commissioner Coke said she thinks that is definitely something they need to look at and implement. She knows they did it with Building Department fees where they raised them, so when a developer comes in, the taxpayers who live here are not paying for them to bring in their projects to be reviewed by the Engineering Department. A lot of these developers who come in sometimes have no intention of building. But the fact that they can come in and go through all of the City's Departments and get Site Plan approval and then put the For Sale /Site Plan Approved sign in the front yard, that is great for them, except it is costing each and every taxpayer in the City of Fort Pierce money. She would like to insure - and she doesn't know how they would begin this process - but she thinks that it is instrumental that they move forward now, if Engineering is reviewing Site Plans, there should be a fee.

Ms. Telle said that may be compensated. Site Plans are routed from the Planning Department and the Building Department, so they may be compensated for the Engineering Department review also. She will check on that.

Commissioner Coke said but the Engineering Department should be compensated for the work they do.

Ms. Telle said that would be nice.

Commissioner Becht said address it through the LDR rewrites.

Commissioner Coke said she is sure they are right on top of that .

Mr. Recor said absolutely.

City Manager Beach said they are now going to go to the **Planning Department**.

Commissioner Coke said Page 27 (of the General Fund Proposed Budget).

Mr. David Recor, Interim Director of Community Development, said there are currently three vacancies in the Planning Department. The Director's position is vacant, the Assistant Director position is vacant, and the Historic Preservation Officer position is vacant. The Department as far as existing Staff has two Executive Assistants and there are three Planner positions - two of them focus on development review, one of them focuses on the comprehensive planning side. One of the former Executive Assistant positions - they will note there were three in 2008 - was reclassified to a Planning Specialist position by way of the assumption of additional responsibility and a change in job description. The Department also has the Urban Forester and the Grant Writer/Administrator. So there are actually eight warm bodies in the department, but there are three leadership positions that are vacant right now. The required reduction in the Planning Department was approximately \$112,000. They achieved that through a variety of personnel moves as well as a reduction in the contractual planning line item of about \$50,000 to achieve that bottom line. They think it is important that they move forward with filling both the Assistant Director as well as the Historic Preservation Officer positions. The Historic Preservation Officer has been advertised. They have received a good number of resumes for that position. The Assistant Director has not been advertised as of yet. And that is how they achieved the result.

Commissioner Alexander asked who is filling those shoes now? He is talking about the top Planner and then the Assistant Director.

Mr. Recor said he is.

Commissioner Coke asked is he that half person?

Mr. Recor said he is that half person. They will note that half of his salary from the City Manager's Office has also been transferred to the Planning Department as well.

Commissioner Alexander asked is that how they got the City Manager budget...?

Mr. Recor said it is a shell game.

Commissioner Coke said she likes a nice honest answer for once.

Commissioner Becht asked do they know when Matt Margotta will be back?

Mr. Recor said Matt Margotta will be returning in May of 2009.

Commissioner Becht asked is that for sure, or can the military...?

Mr. Recor said according to his official papers, May 2009. He is actually in Kosovo.

Commissioner Sessions asked which one of these positions did Mr. Margotta hold?

Mr. Recor said Director of Planning.

(The City Commission took a lunch break from 11:40 a.m. to 12:05 p.m.)

City Manager Beach said next is the **Building Department**.

Mr. Marc Meyers, Building Official, said since the hurricanes they have contract Plans Examiners and temporary Permit Technicians and Specialists. So that is part of the adjustment where they came up with their \$126,000 reduction. If they look at Page 30 of the General Fund Proposed Budget book, they took most of it from capital. They had \$150,000 last year in Contractual Fees. That is knocked down to \$25,000. And they dropped Temporary Employee Services down, \$75,000 to \$20,000. They lost another \$10,000 in demolitions. Those come out of operating expenses, which reduced their bottom line by almost \$200,000. He is losing three part time temps and one part time employee, and putting on three regular employees, so he is losing a part time position they had. Yes, they are going to have an increase in personnel costs of \$102,000, but they have lost \$192,000 in operations. They have no capital outlays this year, not replacing any vehicles. That saves them \$36,000 from last year. So they reduced their budget by approximately 10%, down \$126,000, which brings them to a total of \$1,198,437, or to round it off to \$1.2 million. The next slide, they can see that in 2006 they were budgeted at \$1.9 million and they came in under budget at \$1.65 million. The next year 2007, they were budgeted \$1.36 million and they came in under budget at \$1.26 million. This year they were budgeted \$1.32 million and their projection is that they will come in under budget at about \$1.2 million. Next year they are projecting that they need \$1.2 million and that is approximately what the estimates are of what the revenues will be next year. They are running extremely lean. Right now they do not have a Director position or a Deputy Building Official. They have chosen to have Permit Techs and Administrative Assistants full time. They have found that part-time employees are just not as efficient as regular full-time employees. It is not because they are not working hard, but because they are not there for two days a week. It is not good when someone knows about a project and they are not in the office.

Commissioner Coke asked would Mr. Meyers go back and talk more about the difference between full-time and part-time employees? Her concern is related to, if they have 40 hours worth of part-time employees, two 20 hour a week employees versus one 40 hour a week employee, does he know what the difference in cost is between the two part-time and the one full-time is?

Mr. Meyers asked as far as a regular employee?

Commissioner Coke said right. It is not just an hourly rate.

Mr. Meyers said because with a regular employee they are paying for all the benefits. When they use a temp service, they are paying a flat rate of \$20.00 to \$22.00 an hour.

Commissioner Coke said she doesn't mean the temp services. He was talking about having some part time employees, which she assumes they are part time for the City.

Mr. Meyers said he has one part-time employee.

Commissioner Coke said when they are looking at fiscal belt tightening, if they have one person working 20 hours and one person working 20 hours, even if they pay them the exact same amount, they could hire three 20-hour employees for what it costs them for one 40 hour employee when they add the benefit package in.

Mr. Meyers said he does not quite follow.

Commissioner Coke said if they are hiring two people for 20 hours each at \$10.00 an hour, that is \$400. If they take the same full time City employee, it is not costing them \$400, it is costing them let's say \$600 by the time they add benefits into it. So what she is telling him is, he can get three 20-hour a week employees for the same price it would cost him for one full-time employee, and he would employ three people part time versus one person.

Mr. Meyers said he appreciates that. But two reasons. One is the reason he just mentioned, continuity.

Commissioner Coke said she understands continuity.

Mr. Meyers said because he has many different areas to fill. One of his temp part timers is handling just two boards - the Contractor Licensing Board and the Construction Board of Adjustment. She has to take care of all that paperwork.

Commissioner Coke said she has part time people who work for her for 22 hours a week, five days a week. They work four hours a day. That gives her continuity.

Mr. Meyers said he doesn't mind using temporary services. He would prefer to use temps, because if he has a big slow-down... At the budget workshop last year they were tasked with not having permanent employees, putting on regular employees.

Commissioner Coke asked does the City have a policy against a direct hire part time employee?

Mr. Recor said no. It is something they can evaluate and see how that works. One of the things that Mr. Meyers mentioned that he would like to add an explanation to is, they may recall from the sub-detail summary of their anticipated revenue, they are anticipating \$1.2 million in permitting revenue. And from that trend they will note that they generally try to keep the expenditures in the Building Department at the same level of their anticipated revenue. Although this department is not set up as a separate Enterprise Fund, it does generally generate a sufficient amount of revenue to cover nearly 100% of the expenditures in the department. If they were to revisit the fee structure, that is a source of additional revenue that they could expect in the immediate next fiscal year.

Mr. Meyers said this year commercial has saved them. Housing is terrible. They are getting two, three, or four houses a month, when they should be doing 50 or 100.

Mr. Recor said so the Building Department has met its bottom line through a variety of moves, primarily in the adjustment of its operating. They have made some adjustments on the personnel side. They can evaluate further the Commissioner's suggestion on part time.

Commissioner Alexander said he knows they just implemented weekend Code Enforcement Inspectors to go out. They are talking about 52 weekends, two days a week on Saturday and Sunday. Where did the adjustment come in here? What employees are they using that they are not using in the five day span?

Mr. Meyers said that is the Code Enforcement Department.

Commissioner Alexander said that is where he is looking. It says Building & Code Enforcement. That is him speaking, right?

Mr. Meyers said Shaun Coss has that presentation, but he can tell them a little bit. They have nine Code Enforcement Officers and they worked out a schedule where they work certain days and they get one or two days off.

Commissioner Alexander said he will wait for Shaun Coss.

Commissioner Coke said she commends the job Mr. Meyers is doing and she appreciates that his department is basically self-sufficient. But when they are looking at increasing personnel costs \$107,000 and having more full-time employees, if they do have a tremendous slow down then they have a major problem with laying people off, which creates all kinds of problems. Her thought is, not that he is not doing a fine job, but she is looking at departments that are really crying out, whose workload is not directly related to people coming in and building. Public Works is one. She knows the Mayor is saying there are some trees they shouldn't trim; but if any of them have been over by South Beach and seen the number of seagrapes that Public Works contracts out to get taken care of and now they have done a great job with treeing them and they look absolutely fabulous, there is more to it than that. So here his department's function is mostly tied to a direct reaction to the public coming in to do something; whereas Public Works and the Police Department, they as a Commission keep throwing more stuff at them every day and cutting back funding. So she doesn't know that she agrees with the general philosophy or premise that they started this meeting out with, that it should be a percentage cut across the board.

Mr. Meyers said they have to have a very good balance there. Because if they stop their services, then contractors will be upset, which will slow them down, and people don't want to develop here. So they have to keep that in very careful balance.

Commissioner Coke said she agrees with him on that. But she thinks for the next year or two they are going to find that people aren't going to want to develop anyway.

Commissioner Becht said earlier this year they had a contractor committee that met with Staff. He has yet to see any written report out of that committee with recommendations. Is such a report available?

Mr. Meyers has it has been prepared, but not been copied, that is his understanding. It has not been available for the Commissioners yet.

Commissioner Becht asked why?

Mr. Recor said the report has been prepared. The City Manager's office has been getting the report in presentation format. The initial report was not of sufficient quality to be released to the public. So it has been reorganized where the recommendations actually stand out and put into kind of a hard cover format. He expects within the next week that would be ready to be released.

Commissioner Becht said it sounds like it is edited. He would like to see the raw report. He will sift through it if one of them will get him the raw report. Can that be done today?

Mr. Recor said yes, today.

Mr. Meyers said he has to mention that in that report, all three meetings that were held, is the complete minutes.

Mr. Recor said he will see the raw data, the minutes and everything.

Commissioner Becht said he is trying to get their report with their recommendations. He had mentioned it to one of the guys on the panel and he didn't get it from him either. So he doesn't know what the problem is there. This was something he thought was going to be beneficial. With that report he is expecting that recommendations for capital improvements are going to be made in that report.

Mr. Recor said Mr. Meyers is prepared today to elaborate on the costs associated with several of the recommendations that will be made in that report. Those costs are not included in this budget.

Commissioner Becht said his problem is that this department... Earlier Mr. Beach made a statement that all of the departments are important, there is no extraneous expenses, and the Police Department is important for something that is very visible, but the Building Department is important for something that is not as visible but is very critical to their success. If they become an area that has a reputation for not being favorable to business or favorable to building, people won't want to build here. If they don't want to build here, Fort Pierce will die, they will go stagnant. Prior to that contractor committee being set up, he pushed for it, because he was hearing complaints about the Building Department and how things are stuck in there. Since the Committee was set up, he has had three or four contractors tell him that their plans were lost by our Building Department. He doesn't understand how they could lose those plans. He is not looking for an explanation today. But he is looking for those recommendations to be given to the Commission so they understand what a problem they have in there, so they can pro-actively get the Building Department tuned up now in a slow time so that when they get back into a bustling time, and there will be another bustling time, that he doesn't get calls from contractors when they are very busy saying their plans are lost, which is the same problem they have today when they are slow and they are losing their plans. So he would like that problem fixed.

Mr. Meyers said had seen one notification that they lost a set of plans.

Commissioner Becht said they lost his plans, so that is two; and the other two contractors did not want their names mentioned for fear of reprisals. So there is nothing he can do about that. They are complaining to him but he can't use their names because they don't want the reprisals.

Mr. Meyers said the one that he knows about, the contractor simply didn't submit a full set of plans. So it wasn't that they lost them. A complete set hadn't been delivered. Only a portion of it had been delivered.

Mr. Recor said they can follow up independently. But the bottom line is, they will be taking measures to make sure there is better organization. Part of that is included in the recommendation. For example they talked about the bar coding and scanning.

Commissioner Becht said but that isn't in here with the capital that is necessary to do that. And this is a level of service that in his opinion is substandard. His plans weren't lost on Mr. Meyers watch, it was under a prior Director's watch. Mr. Meyers did not lose his plans. And he is not upset about that because it didn't delay anything. But what he is upset about is that in 2005 another set of plans were lost at that time too, but they were very busy and that is what the problem is. But when somebody calls him in the last six months and says his plans were lost, and then another contractor said he had the same problem, but don't use his name because he doesn't want any reprisals. He can't bring it to Mr. Meyers so he can track it down specific to that, but he does believe there are problems in there. He believes the problems can be fixed by what the committee has come up with. They need to get those things into this budget so that they can improve the level of service in the Building Department. That is his point.

Mr. Recor said let him tell the Commissioners, there is never an occasion where they should lose a set of plans, because there are multiple sets of plans that are circulated among the Departments.

Commissioner Coke said she will tell Mr. Recor, and Mr. Beach will attest to it, that five or six years ago they all know there were plans lost. They had people come in front of them who had made people at City Hall sign receipts that they gave them the plans and then couldn't find them. So she agrees with Mr. Recor, nothing should ever be lost. But it happened.

City Manager Beach said at every level of management they absolutely believe that is unacceptable.

Mr. Recor said Commissioner Becht's point about the recommendations from the committee (Building Permit Workshop Constituency Group) are accurate in that those costs are not associated with that, although they have identified estimates for implementation.

Mr. Meyers said the number one suggestion that came out of that workshop was to improve technology, which means internet and...

Commissioner Becht said money.

Mr. Meyers said yes. That will improve their time and their review process greatly.

Commissioner Becht said he doesn't think anybody in here wants to hear this, but productivity increases with computerization and technology. There are departments in here that have taken advantage of that and there are departments like his that he doesn't think has. That could be simply because of funding. But if they fund the appropriate capital improvements for technology with the plans coming in digitally and all of that, he thinks minimally their level of service is going to go up, but perhaps they can eliminate one or two jobs because they can do more with the technology than they can without the technology.

Mr. Meyers said an internet phone module... He has one and a half people every day that are just answering the phone for inspections. He could use those people other places, but he doesn't have the technology to do it.

Commissioner Becht said in this capacity he is actually trying to help him get more efficient with spending more money in his department. And it is a capital outlay, so it is a one time capital outlay that may save them a half of an employee for ten years. So it would be money prudently spent, in his opinion, if they can get the actual numbers before they get the next revised budget.

Mr. Meyers said even if they stay at what they stayed at last year, if they use that \$126,000 to purchase their hardware and software programs.

Commissioner Becht said but he thinks the committee met in January or February. It just needs to be a priority, assembling what the recommendations are and translating that into the hard equipment and the software that is recommended to fulfill the recommendations, and then they put a number on it up here in the budget; rather than just generically saying they need \$127,000 to buy the equipment that will be recommended by the committee, but they don't have the report yet. He doesn't want to just whine about this, he is just looking for some help here.

Mr. Recor said he will handle the **Code Enforcement Department** discussion. This is listed on Page 32 of the proposed budget.

Commissioner Alexander asked where is the Director?

Mr. Recor said she had a scheduled vacation.

Commissioner Coke asked can they have a policy next year that they have Department Heads at budget meetings?

City Manager Beach said the difficulty they have is, a lot of these trips are scheduled way in advance. In fact, he thinks one person is in Europe, which trip was scheduled eight months ago; and another person was at something that was scheduled five months ago. Trust him, he takes it seriously when they miss a meeting and so do they.

Mr. Recor said on Page 32 the actual number of authorized positions should actually be 14. Also, it says Proposed 2008, but it is actually Proposed 2009. The proposed funded positions is 11, so there are two unfunded Community Response Officer positions. And

then the only filled position that will be affected is the Senior Code Enforcement officer position. The other two are currently funded but vacant positions. So there were savings in the personnel. The \$79,116 reduction required of the Code Enforcement Division was achieved through adjustments in their operating expenditures, nothing of real significance but variations within their operating. Earlier Commissioner Alexander had a question about the weekend code enforcement.

Commissioner Alexander asked what is the cost?

Mr. Recor said the cost of the weekend code enforcement is included in the \$748,000 budget. He doesn't know that they could quantify it today.

City Manager Beach said at this point in time the cost is the same. They are not having an increased cost. He thinks there are some pay variations between working during the week and on the weekend, and those are minimal. However, they are still talking to the Code Enforcement staff people who are impacted by this and there may be a cost, but that is not identified at this point. The figures are pretty much as they are represented right now.

Commissioner Alexander said if it is coming down from the top to the code enforcement, then he thinks there should be a rotated basis for everyone who is working in that department. Everyone is not entitled to have the weekends off. Maybe they could have every other weekend or they can work one weekend out of a month. But he doesn't think it is fair just to put someone in a cushy position when in this time with crunch days everybody is going to do their fair share.

City Manager Beach said he agrees. He thinks what they learned when they implemented this was that people really preferred not to work on weekends. They really don't like working on weekends.

Commissioner Alexander said week days and weekends.

City Manager Beach said they are having to shuffle those schedules. What they would prefer to do and what they have looked for are people who would acquiesce to working on weekends, who would not either file some type of grievance over it or something of that nature. That has been their attempt so far and they are still working toward it. But right now he understands they are on a rotating schedule.

Mr. Recor said that is correct. Their Code Enforcement Manager spent a good bit of time trying to come up with a fair and equitable approach to the rotating schedule. So no one was stuck working weekends while another officer would only work during the week.

Commissioner Alexander said he didn't think as much, but he wanted to be sure.

Mr. Recor said obviously there will be opportunity to elaborate on that further. But the bottom line here is, through a combination of personnel and adjustments to operating, the \$79,116 target was achieved.

Commissioner Sessions asked on Page 2 of the General Fund (Detail Summary of Revenues) under Fines & Forfeitures, Property Code Violations. There is a big difference in the actual and the adopted versus the estimated. Do they foresee something that they haven't had in the past as they are facing in the future? Why is there such a big variation there?

City Manager Beach asked is he referring to Line Item 354 50, Property Code Violations? It is showing they anticipated having \$200,000 in resources and they are only collecting \$45,000. Apparently they had a real big year back in 2007. And for whatever reason, they must have felt that was going to be a trend. So they put \$200,000 under the 2008 budget and that simply has not turned out to be the case.

Mayor Benton said he thinks if somebody wanted to sell a piece of property as property was moving back then, it couldn't have liens on it. Today they don't have to pay that lien off if they don't plan on selling the land and nothing is moving. So he thinks that probably has a lot to do with it.

Mr. Jon Ward, Director of FPRA, said there is another reason too. Part of the reason there is a variance in that property code violations number is, they are fronting those costs. Many of these violations in the FPRA, they are picking up that cost. He authorized \$15,000 worth of tribute today; and when they recover that cost, it is coming back to the FPRA. So that is the reason some of those numbers change.

Commissioner Coke said she doesn't understand what Mr. Ward is saying.

Mr. Ward said what he is saying is, they are looking at a way to balance the budget and he is picking up the costs for all code enforcement liens. If they hire a contractor to cut down trees within the FPRA area, he gets a bill from Code Enforcement which they front the cost on. When they collect the fines, it goes back into the FPRA budget. That is why they will see some monies collected as a result of that.

Commissioner Coke asked so the FPRA now is putting liens...?

Mr. Ward said the FPRA is not, the City is.

City Manager Beach said they have a \$200,000 line item in their Fort Pierce Redevelopment Agency budget for demolitions and things of that nature. When that happens, when they pay for it out of that account, if the money comes back in, it goes into that account. That is what Mr. Ward was saying.

Commissioner Coke said she wants them to clarify - if the money comes back in.

Mr. Recor said if there are no more questions, let's move to **MIS Department**. They have about a \$90,000 reduction.

Ms. Marjorie Gaskin, MIS Director, said that was a \$91,288 reduction. The majority of the reduction came out of the capital outlay, at least \$75,000 of it. That will keep them from keeping current with their rotating schedule for capital improvement, their computer equipment. They have a three-year in and out on computer equipment, so now Staff will be forced to maintain outdated equipment because they will not have the sources to replace it. Many more staff hours will be required to continue to maintain the computer equipment. Another item was software maintenance. They took \$18,000 out of that item. Some of it entails the Questys scanning software that was going to be used to help departments to stop using so much paper by scanning into imaging.

Commissioner Becht said his philosophy is that they might not want to pinch here because the technology improves and increases the productivity of the employees that they have. They think they are saving money by pinching the pennies here, but they are decreasing productivity and increasing the need for extra employees or extra time. He would like a hard analysis of where they are hurting themselves by not moving forward with technology. They are balancing \$38 million. He would like to make sure they are not being shortsighted with the technology.

Mr. Recor said he for one would like to thank Commissioner Becht and he knows MIS would as well. Although they only go back to Fiscal Year 2006, if they were to go back to years prior, they would note that there was not a lot of investment on the hardware side. For example, CPU's were not on a rotating replacement schedule in City Hall. This Commission made a decision back in 2006-07 to make an investment in automation and hardware. They would like to continue that. But times the way they are, all of the

departments were tasked and unfortunately that was the area for which... There were things they have to do and things they want to do. That is the area where there was the flexibility. They do appreciate that recognition though.

Commissioner Alexander said he had a comment in the same area, because his question to the city administrators that this is one department, every time they bring in something new, they have to go in and do all the setup in the basis of it. He doesn't see where there should be a reduction in whatever the efforts are. He is not taking sides. It is just like with Public Works, they do all the work, it is being seen up front, the public sees everything perfect, and they don't give the credit to where it should be. Again, he hears other departments talking about getting in new computers or whatever they need. They are working on a compatible basis, aren't they? Everything is being able to work together?

Ms. Gaskin said all the equipment is going through MIS now.

Mr. Recor said with the exception of the Police Department, all of the equipment is under MIS. MIS is supporting the Golf Course operation, the Marina, as well as City Hall.

Ms. Gaskin said Sunrise Theatre also.

Commissioner Alexander said so that will delete capital improvement in other departments, except for the Police Department.

Mr. Recor said that is correct.

City Manager Beach said next is **Human Resources**.

Ms. Mazella Smith, Administrative Services Director, said earlier in the first of the year she was asked to be creative in her approach to the budget. They took that and they moved forward at their first opportunity they had a vacancy they sought to replace that individual with services from the senior citizens, AARP. They do not know how long the funds will be available from the federal government, because they too are experiencing budget cuts. However, as long as that money is available, they will have someone there for support. After the last meeting she cut out \$50,541.

City Manager Beach said they will go on to the **City Clerk**.

City Clerk Steele asked do they have any questions?

Mayor Benton said he will just say she does a good job. It is a very efficient department. Keep up the good work like usual. He sees it every day.

City Manager Beach asked where is the \$49,000 coming from in her budget?

City Clerk Steele said mostly out of the elections.

City Manager Beach asked do they have any questions or want to talk about that at all? How about either the City Commission budget or the City Manager budget. Mr. Recor talked a little bit about the City Manager budget.

Commissioner Becht said he would like to talk about the **City Commission** budget. Why is their insurance going up 30%? Is everybody's insurance going up 30%? Is his life insurance now tripled or something?

Ms. Gloria Johnson, Director of Finance, said no. To covers him and his family, it now costs the City \$1,500 a month.

Commissioner Becht said but he is paying an extra \$100 a month for that.

Ms. Johnson said she understands that. She thinks it is \$17,000 a year for an employee with two or more dependents. So the rates did go up substantially.

Commissioner Becht said so the rates really did go up 30%.

Ms. Johnson said yes.

Commissioner Coke said she would assume though that when they are making a deduction for an employee's share, it is lowering the expense that is shown there. Like if Commissioner Becht is costing the City \$1,000 but he is paying \$200 of it back, the expense should only show as \$800.

Ms. Johnson said no. The premium that the City pays, it went up almost \$300,000.

Commissioner Becht said he looked at a 30% increase. That is part of what Commissioner Coke is getting at, so she will explain the rest of it to them.

Commissioner Coke asked if they are posting the 30% increase expense, she assumes then they are also to that same line item posting the reimbursement by every employee to offset that increase?

Ms. Johnson said no, that is actually the City's expense. It is not the contribution from the employee.

Commissioner Coke said no. If the City is spending \$1,000 for Commissioner Becht's insurance and \$500 for his family's insurance, but Commissioner Becht is paying \$250 of his family's insurance, the City's expense for Commissioner Becht and his family is not \$1,500, it is \$1,250.

Ms. Johnson said that is correct.

Commissioner Coke asked the \$1,250 is what is reflected?

Ms. Johnson said that is correct. Whatever that amount is, is what is in this budget. Not the entire premium, just the City's portion.

Commissioner Becht said still on the City Commission's budget, they had talked about the travel, maybe allocating that by Commissioner. Are they going to do that? Or not do that and not even talk about it?

City Manager Beach said that would be the Commission's decision.

Commissioner Becht said he is going to leave it alone.

Commissioner Coke said her concern is not only the City Commission travel, but they are still looking in times of budgetary constraints spending \$107,000 a year citywide on travel. She thinks if they are in this much of a budget crunch that travel should be limited to emergency purposes only. There is no way they should be spending \$107,000. It might be a year they need to go without educational conferences.

Commissioner Becht said his problem is, if they the leaders of the City have asked and tasked every other Department to cut their budgets by 9.5%, they didn't cut their own budget by 9.5%. Their budget went up. He doesn't know what the percentage is, but it went up. He is disappointed in the Commissioners that the leadership role seems to be kind of hollow if they are asking everybody to go down 9.5%, and they are going up \$16,000. He throws that out for any ideas that anybody else may have.

Commissioner Coke said she would certainly agree that if every City Department across the line has been asked to cut 9.5%, she is going to again say she doesn't know that she is going to agree with that at the end of the day, but for the City Commission to allow their budget to go up instead of down is not acceptable. Everyone else had the same increase in health insurance reflected in this budget and they still needed to cut their budget.

City Manager Beach said the difference is that everybody else had places they could cut. In the Commission budget, their expenses are fixed. With the exception of the travel budget, everything is fixed. They don't have the flexibility.

Mayor Benton said when they take a look at most cities and they look at their Commission budget, he thinks Fort Pierce is very lean. What they spend on travel and conferences, that is part of their job, to see how other communities are doing things. The Conference of Mayors, if they don't put pressure on the Federal Government as groups and work together as cities and counties, they are going to continue to lose things. Their Community Development Block Grant, the Federal Government would just love for them not to be able to work together to put pressure on them to continue this stuff. That is what has happened in the past. Part of this job is learning and working with their other colleagues and seeing how they do things.

City Manager Beach said Commissioner Coke brought up the discussion about the City's overall General Fund travel budget. He would emphasize to all of them that one of the most important things that employees of the City do is to learn new ideas and new ways of doing things. He can't tell them the number of innovations that have been brought back from travel to training opportunities by the Police Department, Building & Code Enforcement, and Staff throughout the City. They pick up technology and ideas that are incredibly valuable. That is how they get them.

Commissioner Coke said she agrees, when they are not in this much of a constraint. They are talking about another employee at Public Works or another Police Officer versus do they forego one year of having good ideas coming back from conferences.

Mr. Recor said or provide a formula based on an employee is allowed x-number of dollars and each department would be standard then, as opposed to a department with five employees having \$20,000 and one with ten employees having \$5,000.

Mayor Benton said just say no when it comes to the League of Cities, which they depend on for many services. It takes member cities to have their Commissioners or their Mayors sitting on some of these boards and they are all dealing with these budget cuts. What they are looking at doing with some of these meetings is having them by conference calls, he saws that information the other day. But some of those, they have to actually be there to vote. He thinks for what they get and the information they bring back, one grant can eat up that \$17,000. They can come back with some ideas that could bring this community in \$250,000 or \$500,000 in grants that they didn't know existed. He will show them that information in the next few days. It is out there, but they have to physically go and learn.

City Manager Beach said from Staff's perspective, one of the most beneficial things to them is when the Commission goes off and works on one of these programs they get a lot clearer picture.

Commissioner Coke said the other side of that coin is... She is not going to argue the point, because everybody is obviously going to travel and do whatever, and that is fine because everybody brings back what they need to bring back and everything is very valid and important. But she feels that sometimes they have to tighten their belts. There was something she got literature on, thinking that would be very worthwhile and she would learn a lot and she should go to that. But they had just had a big discussion that the City Commission was already over their travel budget. So she said she is not going to be the

one to spend more. How can they expect staff not to go over their budgets, if the Commissioners do?

City Manager Beach said if they want to give Staff some direction as it relates to the Commission's budget, this would be a good time to do that. It is completely their call. If they can get a consensus or at least a majority that want to give some direction, staff will be happy to take that and reflect that in the next document. While they are thinking about that, they do need to schedule another meeting sometime in July. Probably within the next two weeks, they will come back with another draft or another proposal. If the Commissioners could give feedback on mainly the Police Department budget and possibly the Public Works Department budget. If they are willing to make some concessions in terms of the numbers of Police Officers they are funding...

Commissioner Coke asked before she makes an informed intelligent attempt at making a decision or a recommendation, can they tell her with this budget what their General Fund balance would be?

City Manager Beach said he believes it would be in the vicinity of \$4.1 million. From their Comprehensive Annual Financial Report dated September 2007, it was around \$4.7 million or \$4.8 million. This budget contemplates a transfer of \$670,000 from the Fund Balance at this level here.

Commissioner Coke asked which would leave the General Fund balance at...?

City Manager Beach said at the 10% requirement, or \$4.1 million.

Commissioner Becht said if they are going to have a \$38 million budget, then they only need \$3.8 million; but Mr. Beach told him they needed to be at \$4.1 million for some reason.

Mr. Recor said it was based on this year's funding, that \$41 million.

City Manager Beach said if they adopt a \$38 million budget this year, then their resolution requires a \$3.8 million Fund Balance.

Commissioner Becht said which would give them \$300,000 more.

Mr. Recor said that is correct.

Mayor Benton said he thinks they put it in the memo how much money they have lost. This is the first time since he has been in office where he has seen the rollback rate go up, which is very unusual. But the public through Amendment #1 has demanded that government make these cuts. If they don't like the cuts made, they have the opportunity to come back in between now and the end of July and demand that they either go to the rollback rate and spend the extra money. In other words, they are paying less in taxes, a lot of people will this year. But if they want the same level of service, it is going to cost a little bit more. Even without raising taxes, they could still get, as shown here with 5.4674 mills, they are talking about almost \$1.4 million. He doesn't think they are going to see the public do that. But he thinks the public has demanded they do this, whether it be police or... The Sheriff's Department thank God has done more to help with their City police, they work hand in hand. Weed & Seed has worked well with that relationship. Also, when it comes to crime, they have come a long way. He remembers when he was first on the Commission they had policemen going to jail. So their Police Department is something they are very proud of. Also the Redevelopment Agency and the redevelopment that Fort Pierce has done, they have taken out hundreds of blighted structures, the capital improvements they have made have all added to that crime rate going down. There is more than just Police. But he thinks the Sheriff's Department and everyone knows that somehow they are going to have to pull together. When it comes to the School Resource

Officer, for instance, he has had School Board employees demanding that the City start looking at ways to fund this. But the Legislature sees the School Board budget, that is something that should be in the School Board's budget. The Legislature is threatening them and their kids in school by cutting that budget. That is his opinion. But he thinks staff has done an excellent job, because it has not been an easy task. If the public doesn't like what they are doing, they have the ability to come in and scream and yell at them and demand that they do something else.

Commissioner Coke said she thinks if they are looking to work with this figure on this budget, they then have an extra \$300,000 left. Her priority is going to be, she thinks first of all they need to give something more to Public Works. She would like to see them put \$50,000 of that towards Public Works. She would like to see them take immediately the other \$250,000 and put it towards the Police Department. Her concern then is that still leaves them a lot shorter in the Police Department than she would like to be and she doesn't know where the other funding would come from.

City Manager Beach said if the Commissioners would describe just generally where they would like to be in the Police Department, then what Staff will do is go back and figure out what it would take to cause that to happen.

Commissioner Coke said she would like to see where they are now.

Commissioner Sessions said hopefully they will not see absolutely by no means a personnel cut as far as the Police Department is concerned. What has been proposed today is a substantial cut. The means of obtaining it or the method remains to be seen; but in the end, he is not satisfied with the result. So they have to come up with a better means of meeting this budget other than cutting a substantial...

City Manager Beach asked Commissioner Sessions is saying he is not willing to cut staffing in the Police Department?

Commissioner Sessions said no, not him personally.

Mayor Benton said he thinks what their priority is, the policemen on the street.

Commissioner Sessions said right. Support staff...

Mayor Benton said as far as people in the office, that is one thing. He knows there is probably going to be reductions, but the hardest part would be reducing the number of Police Officers who are out on the street working.

City Manager Beach said that would be sworn personnel.

Commissioner Coke said she thinks they are going to find though, and they will have to explore this further with the Chief, that to maintain every officer out on the street requires a certain number of staff personnel. She looked briefly and she doesn't know if it is possible, she is big on economy of scale, although the Utilities Authority doesn't want to consider it. When she looks at the Police Department they have an Information System Administration person who possibly could be part of MIS, a payroll specialist which she is not quite sure why that can't be handled through their Human Resources Department. Not necessarily getting rid of people, but if they could move people around a little. There is a Fiscal Manager - but they have one Finance Department - why do they have two? They have a grant writer. She thinks that the need for grants in the Police Department and the City, maybe it needs to be one department and consolidate it. She doesn't want to see anybody cut, she really thinks there is a way to do this without it, but if it is necessary... They can't leave all the Police Officers out on the street and cut their support staff, because that kind of defeats the purpose, they will be spending just as much time off the street writing their reports that the support staff used to do. But she doesn't know if there is not a way they

could share support staff or look for volunteer support staff. She is not saying that she wouldn't consider personnel cuts, but she thinks what they need to do is consider what they are doing, not on a percentage basis as they did originally, but weighing the impact on the public. In her mind the most visible impact on the public is the Police Department and Public Works. She doesn't think the choice is to say to the public now they can suffer because they voted for this, because that was not the intent. The intent of the public that she spoke with was to cut levels of bureaucracy and make government more streamlined and efficient, rather than increasing bureaucracy. She agrees with the Building Department needing to move things forward too. She doesn't know how they fund all of it.

Commissioner Becht said the budget given to them, which is Draft No. 1 dated June 26, 2008, does not have what may be another \$300,000 that they could transfer from the General Fund to balance it.

City Manager Beach said that is correct.

Commissioner Becht asked does it have any transfers from Solid Waste?

City Manager Beach said it does not.

Commissioner Becht asked they do have potentially the ability to make a transfer from there?

City Manager Beach said yes, they do.

Commissioner Becht said so there are two sources of money there. This budget does not contemplate changing the percentage paid by the employees into the retirement system from 5.1% to what it used to be, which is he thinks 7.6%?

City Manager Beach said not to his knowledge.

Commissioner Becht said he had gotten figures from Mr. Bergalis that he thinks was over \$100,000 a year that would free up. He is not saying they should or should not do that, but he is just saying they are all looking for additional sources of revenue. There is over \$100,000 there that they could shift into wherever they want to shift it into and take it off of everybody. They haven't talked about changing the retirement multiplier which would be another \$220,000 a year, as unpopular as that is. So if Solid Waste is only \$200,000 that they might be able to transfer over, there is \$500,000 between that and the General Fund without talking about the unpopular things with the employees, like raising the amount they pay into the retirement system and/or lowering the retirement multiplier. So he would say they need to factor those things into it. They can shift those if they need to. He thinks the Commission has the discretion to decide where those go, correct?

City Manager Beach said to some extent.

Commissioner Becht said then that is \$500,000. And if three or more of them said throw that into the Police Department, then instead of it being a \$1.4 million lowering, it is a \$900,000 lowering, and he thinks they could salvage a couple of jobs there. He would like to know what number of jobs are salvaged with that maneuver before he tells them he doesn't want to see anybody laid off. Because they are not going to be fired for job performance, they are going to be let go because they don't have the money to pay them. He starts with the premise that he really doesn't want anybody else to lose any jobs. A lot of people are losing jobs in the private sector. He hates to compound that problem by having to let people go here. But there is a very loud message coming from the public that they think government is spending too much of their money, so they have to rein it in and they have to do it efficiently. He has to balance that with providing public safety. He thinks cutting 33 from the Police Department... It is 33, but 15 of those are sworn. He doesn't think he is jeopardizing public safety by cutting 15 Police Officers off the street; but he

damn sure is not as safe as he was the day before. So somewhere between zero and 15 is what they have to figure out where they are, if that helps.

City Manager Beach said it does. He thinks he has heard enough where he can work up another draft and another proposal that they can evaluate even further. They will start scheduling meetings and start talking about all of their Enterprise Funds. The Redevelopment Agency is their most significant redevelopment tool and where all of their capital resources go, so that is going to be the source of a meeting and long discussions. His office will be calling all of them to schedule the next meeting, but he hopes they can do it within the next two or three weeks. If someone isn't available, staff will do their best to communicate through email and through whatever means they have available to keep everybody tuned in to where they are. He thinks they have heard enough to put something together.

Commissioner Sessions asked have they set the direction in terms of the Commission's cuts, if in fact there are going to be any?

City Manager Beach said they did not. His read was that there wasn't going to be any.

Commissioner Coke said they had two votes to cut it.

Commissioner Sessions said he for one opposes a cut. He can attest to the fact that especially in light of the fact of what is being proposed, the actual cut of expenses in travel. He would encourage the two who are in favor of it to venture out and find out there is a lot of knowledge and information that they can obtain by traveling and seeing what other municipalities are actually doing. That is a standard that he sees in other municipalities that he can come back and expect to see an even better standard in his own. It is just a whole lot of knowledge and information that they obtain by going and visiting other places and taking part in conferences.

Commissioner Becht said all he wanted to do was talk about it. Everybody in here can look at the Commission's budget and see that it is going up. He just wanted to talk about, are they going to cut it or are they not going to cut it? And they did. The importance of the travel, what everybody brings back, an argument could be made that he is not doing his job because he is not traveling enough. But he can't do it. Commissioner Sessions is doing it and other Commissioners are doing it. He is glad they are doing it, because they do bring back the ideas that Mr. Beach mentioned they would not have if they don't do the travel. He just didn't want it to slide through without having been talked about.

Commissioner Coke said she agrees that travel is a very important thing. But she thinks they all need to adhere to their budget. She doesn't want to see Staff overspend their budget. So when a conference came up recently that she had interest in attending and the City Commission as a whole had overspent the budget, although she hadn't spent a dime, she had to stay home. She didn't want to set an example to Staff that the Commission has a budget of \$17,500 and they spend it and they just want more, then they can just keep going. Because she believes they lead by example. The Commission needs to, at bare minimum, live within their budget. And if they have a joint budget for travel of \$17,500, then once it is spent then she is certainly not going to plan a trip that is going to put them over budget.

The Budget Workshop ended at 1:00 p.m.