

MINUTES OF A BUDGET WORKSHOP OF THE CITY COMMISSION OF THE CITY OF FORT PIERCE, FLORIDA, HELD IN THE HISTORIC CITY HALL, 315 AVENUE A, FORT PIERCE, FLORIDA, AT 9:00 A.M. ON THURSDAY, JULY 24, 2008.

Those present were: Mayor Benton; Commissioners Rufus Alexander, Christine Coke, and Reginald Sessions. Those absent: Commissioner Edward Becht.

City Manager Dennis Beach said he welcomes everybody to the second General Fund Budget Workshop. According to the Agenda, they are going to start with a comparison of Draft No. 2 of their General Fund Budget comparing it to the first draft. They had a workshop just a few weeks ago (June 26, 2008) where staff received input and direction from the Commission in regards to some specific changes they would like to see in the budget. Staff has made those changes and they are going to go through those in some detail over the next few minutes. When they get through with that, there is a presentation listed on the Agenda entitled, "A Red Light Camera Initiative". They will have a presentation from some consultants on that issue. That is also related to their last budget workshop where they talked about alternative revenue generating issues as well as some public safety issues. After that, they are going to open up a conversation between Staff and the City Commission relating to the details of the most recent General Fund Budget. Once they complete that, they will go ahead and schedule their future Budget Workshops to finalize the General Fund Budget as well as getting into all of their Enterprise Fund budgets. He is going to turn this over to Mr. Recor to do a comparison between their first budget proposal and this second budget proposal. If they have any questions at any time, ask.

Mr. David Recor, Deputy City Manager, said he hopes they are finding this year's budget process more smooth and less painful than last year. From the Staff perspective, he thinks it is. He thinks in a large part it is due to the fact that they braced themselves for the worst. They prepared for the worst, and it turns out that they are actually in much better position than what they thought. A key difference between where they are today and what they braced themselves for are that this budget proposal Draft No. 2 is actually based on final evaluation numbers from the Property Appraiser's Office as well as final numbers from the Utilities Authority. While this budget proposal is slightly more than what was identified in Draft No. 1, the key differences are, they are still about \$800,000 less than where they were in the last fiscal year. For purposes of introducing this budget, Draft No. 2, he thought what they would do is identify the differences primarily between the revenues and the expenditures in Draft No. 1. First, from the Property Appraiser the final evaluation numbers came in. Their reduction in taxable value was about 6.6%, which he thinks is an indication that they are doing the right things in the community, the investment they are making throughout the community. He thinks that is a reflection, particularly when they compare that reduction in valuation to that of their neighbors. What that means in terms of ad valorem tax receipts is, there was an additional \$383,000 reflected in the estimated revenue for FY 2009. Other differences on the revenue side, based on the 40% of net revenue from the FPUA, there is an additional \$149,000 in electricity, water, and sewer revenue. This budget also includes a transfer from the Solid Waste Enterprise Fund in the amount of \$800,000. Last year they also transferred money from the Solid Waste Enterprise Fund. It also includes an additional \$300,000 from the Fund Balance. The total appropriation from the Fund Balance amounts to \$971,000. However, where that leaves their Fund Balance today, it does not reduce it below the 10% threshold. There is still \$4.3 million in the City's Fund Balance. Again, \$4.3 million in the City's Fund Balance with the \$971,000 appropriation.

Commissioner Alexander asked would Mr. Recor elaborate on the electric, water, and sewage? Where did that amount come from?

Mr. Recor said those numbers are based on the anticipated transfer from the Fort Pierce Utilities Authority that is based on a 40% net revenue formula for electric, water, sewer, and gas. They will note in their Detailed Summary of Revenues report, those are the only three categories that changed. Gas did not change. But there were nominal changes in the anticipated revenue from the electric, water, and sewer that amounted to \$149,000.

Commissioner Alexander asked what transfer is Mr. Recor looking at? What is the amount he is looking at?

City Manager Beach said what the \$149,000 is, it is that much higher than what they anticipated in their first budget. That is a result of final figures they are receiving from the Utilities Authority. That is just an increase.

Commissioner Alexander said it is too early in the morning for him to hear this is going to be the transfer. He knows it should be better than that, but he understands it is more.

Mr. Recor said yes, it is that much more. If they look on Page 4 of Draft No. 2 in the Detailed Summary of Revenues report, they will see that the estimated revenue for FY 2009 for electricity is over \$3.2 million. Then the water, gas, and sewer estimated transfers... It comes in one transfer. However, those increased nominally. And the difference is an additional \$149,000 than that which was estimated in the first draft. This is based on final numbers from the FPUA as opposed to best estimates in their first draft.

Commissioner Sessions said with regards to the Solid Waste transfer of \$800,000, he did not realize they had that kind of money in that particular fund. He thought it was maybe about \$89,000, if his memory serves him correctly. Where are they going to get that \$800,000 when in the months of May and June there was only about \$80,000 to \$90,000 in there?

City Manager Beach said they do have that level of fund balance in their Solid Waste account. Right now the figure is actually probably over \$1 million in the fund balance.

Commissioner Sessions asked after last year's transfer?

City Manager Beach said that is correct. About two years ago the Commission adjusted the Solid Waste fees to the tune of about 15% with the anticipation of having those resources available whenever they would need it. That money is available.

Mr. Recor said working through the challenges with this budget is actually pretty simple - they either increase their revenues or reduce their expenditures. So that is how they achieved a balanced budget proposal in Draft No. 2 as well. On the expenditure side, Personal Services and Operating Expenses overall have increased. They have added back in the things that the Commission indicated were priorities. They will note that there is also a decrease on the expenditure side in the City's tax increment finance obligation to the Fort Pierce Redevelopment Agency. Just as he indicated in the transmittal memorandum, this is kind of a double edged sword. What this actually means is that due to the reduction in their taxable value, their tax increment finance obligation is less to the FPRA, reducing General Fund expenditures. However, that is \$750,000 less in revenue that they can expect in the FPRA for FY 2009. What is not included in this budget is no new capital, i.e. no new vehicles in the Police Department, no equipment in Public Works, and that sort of thing.

Commissioner Alexander said he did see where they purchased some cars. He thought it was no cars. Do some people have privileges with getting cars? What does no car mean?

City Manager Beach said his understanding is that there is no capital equipment in this budget. What he may be referring to are cars they were currently buying as part of this fiscal year?

Commissioner Alexander said no, this is the second budget.

Mr. Recor said he is of the same understanding as the City Manager, that there is no new capital in this budget.

Commissioner Alexander said if it takes them six months to get a car, they don't need to be buying one, because anybody can go right down to the parking lot and get a car. He will point it out when they get there and they can explain it to him.

Commissioner Coke said she is not the professional budget maker for the City, she has only been doing this for six or seven years now. But does anybody think there is any reality to proposing a budget that has no new capital or no salary adjustments? There is no way she can envision the City going a year without the need for a piece of equipment or a car or any of those other things, nor can she actually envision no salary adjustments. So although the budget is balanced as presented - and she commends them for that - but the fact that they are not being very realistic with no new capital and no salary adjustments leads her to believe that when they look at it with an eye on reality, they are not really having a balanced budget here.

Mr. Recor said that is a very good point. How he would like to respond to that is to look at this budget, not as the City Manager's recommended budget proposal, but rather a work in progress. Just as they identified a strategy in Draft No. 1 and they listened to the Commission's feedback based on that particular strategy, they have incorporated that feedback in Draft No. 2. This is a work in progress. They will work through the budget today, identify the issues, and then go back and identify the resources necessary to do that.

City Manager Beach said in addition to that, they have alternatives and they have methods available to deal with the capital issues and possibly even salary adjustments. The difficulty with it is, they are faced with a mandate he thinks - or at least he even hears it from the Commission - a mandate from the public as it relates to the cost of government. What staff is suggesting to the Commission is that it may be necessary or it may be even appropriate to tighten the belt and cause everybody to have to tighten their belt to get through this budget year. But if they get to the end of this discussion and the Commission says go back and find a way to deal with the most critical equipment and capital issues, and also go back and deal with pay issues, then he would suggest to them they will figure out a way to do that, but it will involve this Commission making some decisions they may not be comfortable with.

Mr. Recor said one of the handouts they have is a report he knows at least one Commissioner has been asking for a long time. He would like to thank Jennifer Robinson for all the work she has done on preparing the spreadsheets and putting the handouts in the format that they are. She worked really hard under tight deadlines. The expectations were high and she met the bar. The report is an identification of every category of expenditure or source of revenue. They have a handout that identifies every category of revenue. It starts back in FY 2006, so they can see the trends and see the differences fiscal year to fiscal year. They know what they were spending, for example, on travel and education in FY 2006. What they will see there is that they have gradually been reducing that appropriation. They can see the level of reduction that has occurred in every category of expenditure, or increase in some areas. What this slide shows is basically a summary by source of revenue. They can see where the increases have been in revenues as well as the decreases. They also have a slide that shows by Department how they were able to achieve this balanced budget proposal and where the reductions occurred. Note the numbers in red. There are reductions pretty much across the board; however, there are increases in certain areas as well. Again, that is based on the discussions they have had throughout the budget workshops. These can be modified based on what they hear today.

Commissioner Coke said she does appreciate this, because as they know she has been the squeaky wheel asking for this for a while. She sees they have actual 2005-06 and 2006-07 and adopted 2007-08. They are almost done with the 2007-08 year and she doesn't see a projected figure for where they are actually going to be. She knows several times during the course of this year their former Finance Director had come to them for more money for the health insurance and that kind of thing. So although she appreciates the fact that they adopted \$2.8 million for life and health insurance and their proposed is

\$3.1 million, she doesn't know where they are actually at with health insurance for this year.

Mr. Recor said they have that for purposes of discussion today. That column was hidden; however, she may have his copy that has the projection. For other Commissioners, he will make that information is available at their break to make sure they have it today. There was only so much information they could get on the slide. They have some graphs that show the trends. He thinks the trends are evident if they use the information provided. Staff is here to discuss the budgets in whatever detail the Commissioners deem necessary to get an understanding of where they are. Staff is open to their feedback of where they need to go.

Commissioner Alexander said he is looking at Public Works. Are they telling him it is \$134,000 difference from last year, with all the work they have placed on their shoulders and all the work they are looking forward to do? Are they telling him there is no need for extra men and extra capital? They can do it with that cut?

Mr. Recor said as they are well aware, the Public Works Department manages a lot of responsibility with the resources it has. He thinks the Public Works Director will tell them he does need additional resources. But they are also cognizant of the fact that the availability of those resources is limited, that they are in tight times.

Commissioner Alexander said when he looks at it, he sees manual labor working out there in that sun verses cushioned seats in offices. Are they telling him they have the ones there doing more work to make up for the workers they don't get and they are top heavy in this building, that it is okay? And this is a balanced budget? He looks at \$134,000. What could they do with \$134,000? How can they undercut them?

Mr. Recor said they will save the examination of the detailed expenditures for later.

Mr. David Recor, Deputy City Manager, said if the Commissioners are ready, they will go ahead and let the Merchant Strategy group make their presentation on the red light camera initiative. They will proceed with discussion on the details after that.

Mayor Benton said Ms. Merchant is here today because she met with him and Mr. Recor to explain about these cameras. It is a safety issue. There has been interest in St. Lucie County to do this. There are representatives from St. Lucie County and the Martin County Sheriff's Department here. All those people driving with cell phones and running through red lights need to be caught. Ms. Merchant is a former Legislator in the House of Representatives from Palm Beach County.

Ms. Sharon Merchant, The Merchant Strategy, said she thanks the Commissioners and Mayor and the public for inviting them to be here today. Her associate, Mr. Zito, is a former Illinois State Senator. They are together representing a company called **RedSpeed USA**. They are here this morning to talk about red light cameras and the safety benefits of those, and to give a little bit of background about that. She is going to ask Mr. Zito to go through a powerpoint presentation because she thinks that is the most efficient way to explain all of this.

Mr. Greg Zito, RedSpeed USA, said he thanks all of them for the opportunity to be here this morning and to present what he thinks, after 30 years in local and state government in his own career, is probably the most innovative traffic safety device and system he has ever witnessed in that period. It is a brilliant municipal product in the sense that it gives them the opportunity to truly make their intersections and roadways safer and at the same time generate a new revenue stream that they otherwise wouldn't have available to them. Let him run through the powerpoint presentation. Any time they have any questions, feel free to interrupt. He represents and is a part of the ownership of RedSpeed USA. They

are now currently deployed in Illinois. They are the leading provider of red light photo enforcement in the State of Illinois. They have almost 50 communities under contract and the system is working quite well. They have been operating there for about two and a half years. Red light photo enforcement programs are really all about intersection safety. If they can control those intersections to free up the sheriff's departments and local law enforcement to do the things they were hired in the first place to do - and that is, to insure that their residents are safer - that makes an inordinate amount of sense. So view this as a policing tool to help them do their jobs more effectively. He is going to show them some of the crazy things that a law enforcement officer wouldn't necessarily see at an intersection. These videos are all from their cameras. He has had police officers tell him when they dispatch a squad car to an intersection that is as dangerous as this, everybody becomes a pristine driver. There is a nice little accident - they can see the light is clearly red and that white van just decided it was more important... Interestingly enough there is a school about a block and a half down on the left, so that makes this intersection very busy with pedestrian traffic. That is a California roll, the car just never even stopped. The danger with that is for pedestrians. They can the school bus, the light now is clearly red. It is just kind of crazy.

Commissioner Alexander asked is there any education aspect of this to the public?

Mr. Zito said very much so. He is going to get to that. He has been told by his friends in law enforcement that they teach them at the academy that there are three ways of insuring any kind of traffic safety - the Three E's: Engineering, Education, and Enforcement. RedSpeed, when they were developing the program, because of his background in municipal government he worked very closely with members of the law enforcement. As a matter of fact, several of them have joined as consultants. They modeled this theory. Engineering, obviously the cameras work and they will talk about that a little bit. He is not a techie, but they can talk about how that works. Education is very important, understanding that the community needs to buy into this. It is not Big Brother. It is truly a safety tool that they can deploy at their intersections to make their intersections safer. And finally, Enforcement. The final part of this is sending out the violations, making sure those get to the right people, and making sure they have a collection process in place. RedSpeed is a complete turnkey operation. Two things he wants them to stay focused on during this presentation. Number one, there will never ever be any out of pocket expense on behalf of their municipality, ever. This comes to them completely with no out of pocket expense. Number two, it is totally a turnkey operation except for their law enforcement officers to do the review of the final violation, because RedSpeed is not deputized to issue the violations. That is the only involvement locally they will have to do. RedSpeed takes care of mailing out the violations, collection of violations, deployment of the systems, installation of the systems, everything from soup to nuts. So they are totally a turnkey operation. But back to the Three E's, that really insures the intersection safety. Let him show them a couple of other clips he finds fascinating when somebody isn't there watching what motorists are doing. There is someone who decided from the lefthand turn lane to make a righthand turn. They focus on security and safety. In 2007, 1,000 Americans were killed and 176,000 were injured due to red light running related crashes. Crashes cost directly and indirectly in their society about \$14 billion annually. In the major cities that have deployed these cameras, they report that the accident rates are down almost 80% with red light photo enforcement deployment. Intersections protected by red light cameras can really reduce right angle crashes by 30% to 50%. All of these numbers come from the Highway Safety Institute. He does not have the 2008 numbers yet for the first two quarters. If they go back to security and safety, he thinks that RedSpeed USA municipal clients - and these are actual facts of the almost 50 communities they have deployed now - have experienced a 43% reduction on average where they have deployed these cameras. Think of that, 43% of accidents have been reduced because of the deployment of red light cameras. Red light camera enforcement programs are designed to improve safety. But more clearly, because they do see a decrease after the cameras have been deployed, it is really all about trying to change driver behavior. Being from Illinois and having these cameras all over, he thinks a heck of a lot more when he gets to an intersection and makes a righthand turn on red. So it

really does change driver behavior. He thinks that 43% speaks to that very clearly. Some of the reasons RedSpeed is head and shoulders above everybody else is their superior equipment and really proven technology. The sensors they put in is basically the triggering mechanism they put in the pavement. Rather than laying those strips that some of them have seen to change signals, this is no bigger than a hockey puck. What they do is core two holes per lane, drop these in, and they act as a sensing mechanism. It is an old time theory of point to point and distance to calculate speed and to fire the tripping mechanism. This is a picture of a double headed camera that is probably covering six lanes of traffic. Then there is the control box. The sensor equipment is 100% capture rate, meaning there is no miss. If the light is red and a vehicle runs through that intersection, they are going to get them and they are going to get their license plate as well. The pavement is cored, the sensor is put in place, and then it is completely covered by resin. One of the big advantages of this is not tying up intersections. When they had to lay the piezo strips, those long strips that run across all the lanes, that would tie the lane up and the law enforcement for about two to three days. This is a 15 minute operation - one core, throw it in, epoxy over, and they are good to go. It has a 10-year life battery expectancy. These are absolutely as accurate as... It is a company they contracted with out of California. These are more accurate actually than the piezoelectric strips and these actually capture the speed as well. Put two in and virtually 100% capture rate. That helps for adjudication as well, when they can show them those numbers.

Commissioner Sessions said he is sure once they placed this in other communities they saw a higher influx in traffic court. Did those municipalities have to put municipal judges in place because of the individuals who contested these tickets; or was the judicial system in place already and able to handle the higher influx of individuals contesting these types of situations?

Mr. Zito said some municipalities were and some weren't. So what they did at RedSpeed is, he developed a patented adjudication module that he will provide to them as well. He doesn't know what they do here locally, if they adjudicate locally or not. That was driven by being able to customize it. He will tell them what some of the towns in Illinois had to do. They had to send it to the counties to adjudicate and they weren't getting their fair share of the fine debt. So what he did is develop an entire adjudication module where they can adjudicate right here. He provides all the software and hardware. All the city would need to do is give him an adjudicator.

Commissioner Sessions asked he has a municipal judge in place or something along those lines?

Mr. Zito said no, they don't get the Judge. The City would have to get a Adjudicator who acts like a Judge. But he does have the software and the hardware. If they so choose, they can do it right here in their community.

Commissioner Sessions said so take an individual in place, pretty much he would be a municipal Judge enforcing traffic.

Mr. Zito said yes, the same way they do with their parking tickets or business license violations or any of the rest. In some communities they have just added another hearing schedule date. In some, depending on the volume, they just piggyback that off the parking tickets or any of the other types of things.

Commissioner Sessions asked did he find the volume high enough in the other communities to have to put that in place?

Mr. Zito said they did it as a revenue saver so they didn't have to kick the money to another unit of government, they kept it all in-house. It does peak up the first couple of months that the cameras are activated. Nobody thinks they ran a red light, so they request in-person hearings. But after they see the videos... Their system provides a 15-second slide video

that a violator can go on line and see. Those are the video clips he showed them. Can they imagine that person in the red vehicle in the left lane asking for an in-person hearing and the adjudicator puts that video clip up on the screen? It is pretty damning evidence.

Mayor Benton said he can imagine what a judge is going to fine them verses what that \$125 would be.

Mr. Zito said exactly.

City Attorney Schwerer asked have they put this system in place in any other Florida municipality?

Mr. Zito said no, they do not have a contract in Florida.

City Attorney Schwerer said the reason he is asking is, all traffic infractions in Florida are preempted by the State. It is a State Uniform Traffic Citation system that goes to the County Courts. He is concerned that to enforce it, they would have to go that route as opposed to a local... In other words, they wouldn't be able to retain jurisdiction unless there is some special exemption law that he is not aware of, because they deal with state and county roads. His next question is, do they have any problems installing those devices on state roads or county roads? Fort Pierce has local roads that are the City's, but the main intersections they are dealing with like U.S. #1, that is a Federal highway.

Ms. Merchant said the Legislature has not passed legislation, so there is not statutory authorization. Therefore, they can put them on City and County roads, but they can't use them on State or Federal roads. So when they are fining somebody for something like this, it works pretty much like a parking ticket type violation. In other words, there will be no points on their driver's license and it won't impact their insurance.

City Attorney Schwerer said but most of their problem intersections where this would be the most effective are going to be the State and Federal roads - the U.S. #1 intersections and Virginia Avenue intersections and Orange Avenue intersections - where they have traffic moving at a higher rate of speed.

Ms. Merchant said they understand that. The Legislature has grappled with this issue for some time. As a former member of the House, she filed a bill a couple of times herself back in the mid-1990's. She thinks what is going to happen as a practical matter is, as cities and counties implement these programs, the Legislature is going to be forced to take another look at it. For the time being, they will have some restricted use as to where these cameras can be. Palm Beach County is putting together their RFP. Hillsboro County, Orange County, there are multiple cities and counties in the State that are all pursuing this. So there will be programs active and running. She thinks Gulf Breeze has had this in place for quite some time.

City Attorney Schwerer asked has anybody tried to challenge it?

Mr. Zito said no, not at this point.

Ms. Merchant said because it is not the same as a moving violation. It is being treated more like a parking violation.

Commissioner Alexander said he understands they pretty much manufacture these in Illinois. What about the salt water intrusion down here?

Mr. Zito said that is a good point. Somebody else also mentioned the hurricane season. Illinois is pretty heavy with the weather as far as snow. He can tell them that their in-ground detection and above ground is fine with weather. Their boxes are both air conditioned and heated, depending on the situation.

Commissioner Alexander asked these come with a warranty then?

Mr. Zito said yes. Again, that is all on RedSpeed. If there are any maintenance issues, the City never pays any out of pocket costs. They split the revenue generated from the violations. And at no time do they deduct anything for maintenance or service.

Commissioner Sessions asked so that is at no cost to the City for the system to be put in place? Mr. Zito mentioned they split the revenue. Could he be more descriptive in terms of how they split the revenue?

Mr. Zito said that would be by local ordinance. Back to the City Attorney's question - there is no State law. In absence of a State law, they are going to have to pass some ordinances. So they are going to have to sit down and talk about an adjudication ordinance. In those local ordinances, not only is the power to do this, but then they talk about the fees. Other Florida cities have instituted a \$125 violation fee. At that point they can do a revenue share on a 50/50 basis. Again understanding that all of the installation, all of the equipment, all of the software, all of the hardware, RedSpeed provides all that to the municipality at absolutely no cost, because that comes out of their share. At the end of the day the City is going to get 50% of that \$125 ticket with absolutely no out of pocket expense ever. Again, that is set by local ordinance. These are actually pictures of violations they capture. The first shows the pavement marking and the light is clearly red. The second shows the vehicle at the white line, the light is still red. And the third is a zoom-in. For security reasons he didn't zoom in on that license plate, but they can get that whole frame to fill up the screen with the license plate. It is that information they send. They are sending the violation to the registered owner of the plate, not the driver of the vehicle. They also provide that 8 to 12 seconds, sometimes it is 15 seconds, video clip. That is very helpful in an adjudication. A violator or the person who receives the violation can go on line on their website and punch in a very secure number and they can actually review that video clip prior to making a decision whether they wanted an in-person hearing or not. The information on the violation is the date and time, the intersection location, specifically the vehicle speed. They can't process for speed, but their sensor equipment does capture speed. That helps in an adjudication as well. So if someone was making an illegal righthand turn on red at 17 miles an hour, their argument of hitting the brakes and slowing down really doesn't hold. They also have the elapsed time between the light turning red and the car entering the intersection. So their system knows exactly how long that light was red prior to the violation. Their trained people review violations three times before they ever forward it to the law enforcement agency. So they have first-line reviewers. These are downloaded every 10 minutes. They have a team of people who do nothing but review. They then send it to a supervisor and finally to the manager to sign off on it. So it is three independent times. Then they send it to the law enforcement agency for their final review.

Ms. Merchant asked would Mr. Zito tell the Commissioners what they would throw out on their own that they wouldn't send to the law enforcement agency?

Mr. Zito said a lot of communities and law enforcement agencies have different interpretations of what constitutes an illegal righthand turn on red. One of the things he found very productive is they can tailor this system to meet their needs. There is a lot of interfacing with the law enforcement community and their company. They want to give the law officers the same discretionary powers they would have if they were sitting there. So RedSpeed will take out funeral processions and any emergency vehicles, obviously. But then they will have a clear set of rules on how far they want to push that button of righthand turns on red, so they have an understanding of what law enforcement agencies find acceptable. Some are very stringent. Some law enforcement agencies say no, they want to adhere to the letter of the law. Others say if they brake, that doesn't constitute a safety issue and at least they were slowing down. There are some engineering configurations of intersections where a driver actually has to stop behind the white line. But if they stop

behind the white line, they don't have a clear sight of vision to the left to see if there is any on-coming traffic. So they have to breach that line. The camera doesn't know that. If the light is red and they go past the sensor, it takes their picture. They will throw those out as well. So they will only get the violations they have in their business meetings agreed to. It works really well. They are not interested in making this entrapment. What they are interested in doing is making that intersection safer. But they will sit down and they will go through that with them. The violation is transmitted to the Police Department. There are two things he thinks they are important. RedSpeed USA processes the payments and produces monthly collection reports on their behalf. Again, the City won't have to do anything, it is part of their turnkey operation. They also found that they have gathered all this data and information, so once a month they will give this to the City as well. The average speed of the intersection, the traffic counts, a whole bunch of traffic data they have sitting there, and so they thought it would be advantageous to give it to them so they can start developing a much more comprehensive study of their intersections.

Ms. Merchant asked could he talk about catching criminals too?

Mr. Zito said they have been operational now in some communities for about two and a half years. They have actually caught criminal activity because of the cameras at the intersection where they have blown a red light. One was a drug deal actually, that the officers thought they had the car. They reviewed the video tape and were actually able to get the license plate because the car blew a red light. The other one actually is an interesting story. Because the ticket is issued to the license plate, a dad got a ticket from about 2:30 in the morning, but knew he didn't have the car out. And guess what? Junior had the car. Dad asked junior, what is he doing in this community at 2:30 in the morning? He came to find out that junior, who got a red light ticket, went there to purchase some drugs. So the dad was very appreciative. He has a letter from dad on file saying it was worth \$125 because he found out what was going on. In Illinois - and he thinks Florida will probably hold suit - while they will keep this as just taking a picture of the driver's license and not the drivers themselves, in Illinois they felt that could turn into racial profiling, so they really wanted to stay away from taking a picture of the driver. As a matter of fact, he doesn't know of any state outside of Arizona that takes a front picture of the driver as well. There are so many other uses to these cameras. They also have a system called PTZ - pan, tilt, and zoom - for the surveillance camera on the intersections. It is a 360 degree, 24 hour access. It is plugged right into the Police Department so they can monitor it and actually dispatch the cars. Their dispatch center will see that entire intersection as well. It is a pretty neat thing. This is a time line of what happens. This is the monthly report and how it looks. They will get that with a very transparent invoice. This shows them how the payments are processed and the traffic data and all those other necessary things. Project management is very important. Once they sign a contract, they send their project management team. They sit down and identify the dangerous intersections, they look at those first. They conduct intensive intersection traffic studies. If there is any permitting, they get involved and help with the permits. Certainly they help prepare local ordinances. They install all the scheduling. They train the key personnel, law enforcement officers, or their adjudicator if they need to do that. And then they begin issuing the violations. Community awareness is very important. He has found that if the community doesn't buy into this, they are going to have a political problem and the cameras aren't going to do what they need them to do. So what they have developed at RedSpeed - and they are the only vendor that has this - is an entire community awareness program. Posters to DVD's. They will go out with the Police Department to high schools, grade schools, and senior citizen groups long before cameras are even installed. As soon as they sign a contract with RedSpeed, they start the business planning and meetings; but then they also interface heavily with press releases, announcements, and public awareness campaigns to make sure the residents not only know what is coming, but to share that information with them so they don't hear all those ugly questions of why they are doing this and why it is Big Brother. That shows the press releases announcing the cameras and the posters. It is very extensive. So before the cameras ever go up, there is no political heat on the Commissioners. They try to have the community embrace the system.

Ms. Merchant said they do a number of press releases. When the City brings RedSpeed on, they will do a press release at that time and they will personalize it for them. Also, many municipalities choose to do a warning period. During that warning period there will be press releases and they will have public involvement as well. When they are about to activate the cameras, they will communicate again with the press and with the public. And throughout the entire process, they do newsletter articles. They can do inserts for the utility bills. Their slogan is: Use Your Head - Stop on Red. They are changing driving behavior. They have multiple different posters that are available to for the City to post in schools or wherever they would be welcome to do that. They do go out and engage the public. They want the public to know, to be thinking about this. They want the public to know there is a warning period going on and when the cameras are activated. They want the public to know this is for their own safety and that these things are in the works. They also can prepare these notices in multiple languages, in any of the languages that would be helpful.

Mr. Zito said they have these in DVD as well. Again, because of his municipal background and elected background, he knows they need the residents to buy into this or the system isn't going to work. In a few of the communities they deployed cameras to, the Mayor and Board decided they didn't want community awareness, they just wanted to go ahead with the cameras; and it was an absolute nightmare. If they can show and share with their residents the importance and the safety numbers and the reason why they are deploying these systems, it works tremendously and the entire community embraces it. They are very proud of their community awareness. He really focuses on the Three E's, it is really a pinnacle part of this program. Because if they don't do this, they are going to have problems in the future. Back to the question on adjudication, they have an entire adjudication module. This is the evidence they would supply to the adjudicator. They prepare all the hearing evidence package so the adjudicator or the judge just literally needs to show up. They do all the scheduling. Everything is done by RedSpeed. They are the only provider of a patented adjudication module. Depending on the needs, they can sit down and talk about that. If they need that, fine. If they don't need that or if they need to modify it or tweak it, they certainly can do that. They are more than capable of being able to do that. So let's get started. Here is a very simple timetable of what they need to do. The first thing is, identify some potential locations. They all live here, they all know what their most serious intersections are. They will get some crash statistics if that is available.

Commissioner Coke said they couldn't go on U.S. #1. But what about local roads that intersect with U.S. #1?

Mr. Zito said county and local roads, they can.

Commissioner Coke asked even at the intersection of U.S. #1?

Mr. Zito said if they control that approach, from his understanding; but he would defer to counsel.

Ms. Merchant said it depends on who owns the infrastructure at the intersection. They will have to help them figure that out.

City Attorney Schwerer said 25th Street, Okeechobee Road, and Orange Avenue, those are state roads.

Commissioner Coke said they have a lot of local roads that intersect U.S. #1 that have been problems. And she knows they can't do anything at this point in time on U.S. #1. But if they could have it on the local roads. Because Avenue D and U.S. #1 there are big signs that say no right turn on red, and everybody makes it. There are several of those. And she thinks those are really a hazard, because drivers can't see around the corner.

Mr. Zito said they can identify those during this first process. They will see exactly who has jurisdiction and if in fact they have the authority to deploy those cameras at a state versus a local approach. He thinks they go approach by approach. They will have to dig into the records and see exactly who has jurisdictional responsibility for the approach.

Commissioner Coke asked can Chief Baldwin tell them what the ticket amount is currently for running a red light?

Chief Baldwin said he thinks \$150 to \$170.

Commissioner Coke asked so it actually would cost people less? And there are no points and no effect on the insurance?

Commissioner Sessions asked dealing with other municipalities and the counties, maybe Mr. Zito can give him their input? But one of the things that comes to his mind is, here they are as a City spending so much money trying to attract tourists and visitors. When they look at the other surrounding municipalities, they would be the only one to have this RedSpeed tool put in place. He realizes they are trying to protect people as well as make money. But there would be a negative connotation. When he looks back when he was growing up as a child, his father always told him there are certain places in Polk County he doesn't want to ride through. When he became a man he found that to be true, because every time he drove through there, they stopped him. So he avoided that particular city and went around it when going to Tampa. The point he is trying to make is, do they think this would discourage what they are trying so hard to do? That is, to encourage individuals to come and participate and visit their City?

Ms. Merchant said she thinks that is very thoughtful and smart question. Her answer is that Fort Pierce might be the leader in this, but many cities and counties are lining up to do this very thing. Palm Beach County is in the middle of doing an RFP for this very thing. She has been to see the Sheriff in Martin County and she has appointments to go see the Commissioners. She has talked to the County Commissioners here in this County. She cannot tell them with any sort of certainty that they are going to bring them on, but she can tell them there is interest. Brevard County has discussed it for quite some time and it wouldn't surprise her at all that they did it. She guesses she is just trying to tell them that throughout the State this is something that is coming. She thinks they will see it more and more. As some of them who are leaders who do this first jump in, she thinks there will be a tremendous amount of interest. And she would suggest that others will want to come and see how it works here and they won't be very far behind them.

Mayor Benton said most of them, if not all of them, have sat on the Fire Board and they understand that mostly what the Fire District does now is rescue runs. If they haven't witnessed it, they have read about it - somebody has gone through a red light, hit somebody, cars flipped over, people killed, and families impacted. As a visitor he would feel more comfortable knowing not only does this City try to keep an eye on speeders, but also it makes the streets safer. People can't slow down for every light thinking somebody is going to go through it. He drives a big vehicle because he doesn't trust the other guy. He has seen so much of it today with cell phones and everybody is in a hurry, the red light is just something that gets in their way sometimes. To him, it is just making people honest. If they are going to break the law, so be it - they get caught and maybe they will think the next time. He thinks it is a win/win. He thinks if enough cities do it, the Legislature... There are a lot of things they don't agree on now with the Legislature. But this is something, if it is going to make this community safer, he is all for it.

Mr. Zito said they will sit down and figure out together as a partnership which locations are important. He will help them prepare local ordinances and talk about things like adjudication and what their parochial needs are. They authorize a contract, get that done, sign the contract. Then what they do is send an engineering team. They actual do a manual in-person count for a 12-hour period. He wants to catch both rush hours at that

intersection and actually do a manual count of the violations to make sure that intersection warrants a camera in place. They will come back with that information and data and share it with all of the Commissioners and the Police Department to make sure they have the right locations. Then they immediately launch a community awareness campaign. That is a big part of it as well, getting the community to embrace that. If they show them what they are going to do and actually are up front and honest, it does work. It goes a long way to help ease everybody's fears about a Big Brother. They establish an implementation timetable. They will know exactly what the installation schedules are. They need to train the Police Officers for the review. They need to get them comfortable with the lock box situation, all the business things they need to take care of. And then finally they deploy the cameras and start issuing violations. This is a new and innovative product. At the end of the day, like everything else they do in government, when they subcontract out they have to rely on their vendors. He wants them to know that he is delighted to make this presentation. He is happy that Ms. Merchant and he could come before them this morning. Really at the end of the day, it is real important to know that they can count on something, not only for the technology but all the idiosyncracies of this program. They want them to feel very comfortable on counting on RedSpeed USA.

Commissioner Coke asked could he tell her from the top to the bottom a timeframe? If the RFP has gone out and RedSpeed is awarded bid, from the day they say okay, they are going to be the people to move forward on this.

Mr. Zito asked from the contract point? Theoretically it could probably be installed within three weeks of the time they sign the contract. It is going to take them time to do the analysis of the intersections and to come back and share that with the Commission and the Police Department and decide they want to install a camera here. What he would like to do too, for electrical contractors who do the installs, ask the Commissioners who they work with in their community, and they will hire them as a subcontractor to go ahead. So within a month's period they should have cameras.

Commissioner Coke said that is a month there and it probably takes 90 days for an RFP and another 90 days for ordinances to be proposed. How long to identify the potential location?

Mr. Zito said not long at all. They could just look at crash statistics.

Commissioner Coke said probably if they were to start tomorrow, it would be 10 months down the road between RFP, ordinances, and...

Mr. Zito said let him suggest that they don't necessarily have to go to an RFP. As he said earlier, they are not technically purchasing anything. They should do an RFP process to compare maybe products. But an RFP process, as he understands, is not absolutely necessary.

Mayor Benton asked they would not have to go through an RFP because they are not purchasing anything, true?

Mr. Tony Barnes, Director of Purchasing, said correct.

Mr. Zito said so that really shrinks the time frame. Actually from the time they sign a contract, he would think within 30 days they would have it up and running.

Mayor Benton asked he has proposed ordinances already written that have been approved legally, so the City Attorney wouldn't have to spend six months?

Mr. Zito said he has samples and would be happy to share those. They can work out those together, depending on their needs.

Commissioner Coke asked she assumes they have met and spoken at length with Chief Baldwin?

Ms. Merchant said they just had a brief discussion over the phone.

Commissioner Coke said that would be the first step, to find out what the Chief thinks.

Mayor Benton said after he met with Ms. Merchant and Mr. Recor, he initially got the stuff right to the Chief, because the Chief had talked about this at their last budget workshop. It is something they can get ahead of for public safety. He knows they have talked to the County. So he is hoping it is something they can seriously look at. Maybe they could be the first in Florida. He has no problem being the initiator of something that can save lives. He wants to thank them for coming today. He hopes maybe they will be doing business in the near future. They will be back in touch.

Chief Baldwin said on this subject, he urges them to let the Police Department manage this process. This is one of the initiatives he suggested they look at. He firmly believes this has a potential to increase traffic safety in the City. He thinks there are three advantages to this. One is, everything he has looked at says there is a decrease in accidents at the intersections. It also helps them to determine who is at fault in a crash. It is very difficult for the Police Officers to determine which light was red when there is a crash. So in other words, they will end up charging the right person at fault in a crash. The third thing is, they didn't mention there is some revenue associated to this and it can be used to fund some of their traffic safety programs. There are some very complex legal issues with this. The simple truth is, the consensus at this point is that they cannot put this at an intersection controlled by the State. Regardless of the approach, they can't do it. He can't think of any intersections in their jurisdiction right now that need this that aren't a State road. Almost all of their major roads are State roads. They have to work through that issue. Then there are also some issues with which vendor would be the best to provide these services. He will talk with Mr. Barnes. His interpretation of this is they may need to do an RFP because they are allowing somebody to provide services to the public. So he will work through this. Captain Sandifer has been working on this for a year and a half.

Commissioner Coke said please take this with all the good intent it is meant. She wanted to hear the Chief's recommendation before she would formulate an opinion. But her bigger concern is, the Police Department has enough on their plate. Two and a half years ago they talked about a camera surveillance system in high crime areas that has yet to be implemented. She doesn't want to say okay to the Chief, that he has to take the ball and run with it, and two and a half years from now be sitting here and every other city in the State has it, and Fort Pierce ends up being the last guys on the totem pole instead of the top one.

Chief Baldwin said he understands. It does take time to process, these are very complex issues. They are not doing this in 90 days, it is not happening. If they do it too quickly and do it wrong, the City is going to incur a great deal of liability. There are places that have been collecting fines from this that have been sued and had to give the money back. If they are two or three years into this and they don't implement it properly and they end up getting sued and have to give back \$2 million that they have already spent, that is going to be a huge hit for the City. They have to do it properly. They keep talking about the camera surveillance system. He wants to remind them that was a project that was initiated by their previous Police Chief that he picked up when he took over; and he thinks they done it pretty rapidly, given the complexity of the project.

Mayor Benton said on this one he thinks they would be looking for the Chief's opinion and hope to have his blessing. He has heard they would like to take a serious look at this.

Chief Baldwin said he appreciates that. He thinks it is a great idea. It is one of the ideas that was on his list.

(The Commissioners took a break from 10:30 a.m. to 10:40 p.m.)

City Manager Beach said they are going to give the Commission a detailed assessment of the changes in expenditures in personnel and operations since 2006. Referring to the documents in front of them, it is Expenditures 2008 through 2009 is how it is entitled, but it actually starts out at 2006. The reason he would like them to refer to this is that it is more clear than what they have on the overhead. Mr. Recor will walk them through this.

Mr. David Recor, Deputy City Manager, said they can go back to the budget book, but what these slides do will basically summarize the details. The first slides are all of the categories that comprise their personal services expenditures - salaries and wages, overtime, the FICA taxes, the benefit costs associated with their personal services. They can see that the slide is intended really to show the difference between adopted 2008 and proposed 2009. However, they do have historical data actual expenditures for 2006 and 2007. The column that shows the difference is actually the difference between 2008 and 2009. They can see a reduction in overtime and will also note a reduction in the retirement contribution for general employees. The primary difference he wants to note here, while salaries and wages have increased, they will recall that the only classification of employee that received a salary adjustment in the current fiscal year was the Teamsters. So this 3.87% adjustment or increase is not necessarily related to salary increases, because the non-bargaining and the PBA have not received a salary adjustment in the current fiscal year. What it notes is the addition of about \$962,000 for the community policing initiative that has been included in the FY-09 budget and included in the police detail. These are all the categories of expenditure that comprise the personal services. It gives them an indication of exactly where the increases and the decreases have occurred, and they can look at it historically over time.

Commissioner Alexander asked they did the last budget review how long ago?

Mr. Recor said it was about a month ago.

Commissioner Alexander asked at that time they were in a deficit of what?

Mr. Recor said the target they gave the departments was about \$1.6 million.

Commissioner Alexander asked from a month ago and today, what made the biggest difference? They haven't released any employees, they did what the Commission asked them to do. Where did that big jump come from?

Mr. Recor said balancing this budget is a combination of either increasing revenues or reducing expenditures. The difference between Draft No. 1 and Draft No. 2 is a combination of those two things. First, on the revenue side, their ad valorem tax receipts increased by just over \$383,000. The contribution from the Enterprise Fund was up considerably, well over \$1.2 million.

Commissioner Coke said she thinks perhaps this page would be more appropriately labeled, instead of Estimated Revenues, be labeled Estimated Increase in Revenues. From their last budget hearing, this is where the figures changed.

Commissioner Alexander asked with the tax receipts that are coming in...?

Commissioner Coke said they are getting more than they thought they were going to get.

Commissioner Alexander asked that means they didn't have to pay to the FPRA the monies that...? It is a different amount.

Mr. Recor said that is correct. On the second slide they will note there is a reduction on the expenditure side of \$750,000. That is where a combination of those two factors has allowed them incorporate the feedback they received at the last budget workshop and include the priorities of the City Commission. There are still issues they will need to address and they will discuss those today.

Mayor Benton said he thinks the difference was the estimate that came from Jeff Furst's office, then they finally got the actuals.

Mr. Recor said Draft No. 1 was based on a 9.72% reduction in the taxable value. And the taxable value actually ended up being 6.6% as a final number. Commissioner Coke said it would be a fair statement to say this is not estimated revenues, it is estimated revenues increased from their last workshop.

Mr. Recor said that is correct.

Commissioner Coke asked do they have a total on that page? There is no actual total there.

Mr. Recor said to refer to the total, they need to go to the budget book. Under Detailed Summary of Revenue report on Page 1, they will see that the estimated ad valorem tax receipts for FY-09 are \$15,451,646.

Commissioner Coke said first of all, they need to label this correctly. Secondly, when they were looking at having a \$1.6 million budget shortfall, it would be easy to walk in here today and stop a lot of asking where did this money come from, if they had labeled this more clearly and put a total on the bottom of the page. So they know last month they were \$1.6 million short. They gave staff some clear directives on not cutting the Police Department and some other things. And this is where they found the money. That would be helpful.

Mr. Recor said go to the first handout. That shows the differences between Draft No. 1 and Draft No. 2. Those are their categories of revenue and it shows the percent change. It gives them the total that was included in Draft No. 1, the total in Draft No. 2, and the difference between the two. The first two slides were simply intended to be overviews. The details are in slides three and four for revenues and expenditures. Does that help?

Commissioner Alexander said it just made it a little more confusing. He is on the third page and he is looking at the inter-government revenues. Explain that \$200,000.

Mr. Recor said there is \$200,000 reduction.

Ms. Gloria Johnson, Director of Finance, said that \$200,000 was an adjustment in their grants income. There was a grant they anticipated getting, they gave them the figures, but that money is not going to come in now. So they adjusted that figure accordingly.

Commissioner Alexander said so they went back to the first one instead of being \$1.2 million, they are at \$1.4 million.

Ms. Johnson said initially they thought they were going to get \$750,000 in grant revenues. That figure is now decreased to \$550,000. That was the difference of \$200,000.

Mr. Recor said the slide on the screen indicates all of the type of expenditures that comprise their personal services number, gives them actual expenses for 2006-2007, adopted for 2008, and the difference from what is proposed. Are there any questions? Is that clear and helpful? They also have the same thing for operating. This is the detail of every category of operating expense for the General Fund. If they would like further details on where monies are included or how monies have been appropriated for the insurance consultant or legal fees or any one of those line items, they can go to the actual budget

document. It also gives them actual numbers for 2006 and 2007, adopted for 2008, proposed for 2009, and the difference in the right hand column is where they are this year and what is proposed for next year. Look at all the red numbers. The red indicates the effort from Staff in reducing the operating expenses in order to achieve the target. For example, they reduced legal fees by 12%.

Commissioner Coke said she should have gone some place and gotten a copy of this with projected 2007-2008 versus proposed 2008-2009 that he gave her earlier. They are talking that they lowered legal fees 12%. They lowered legal fees 12% versus what they adopted last year versus what they are proposing this year. However what she is looking at here is their projected 2007-2008 is \$51,000 more than what they adopted. So she doesn't know that proposing a 12% cut, when in all actuality they ran over by about 11%, is anything that is a viable option.

Mr. Recor said the City Attorney will tell them generally he is within 10% of his number. But Commissioner Coke is right, they can't estimate or determine who is going to sue them and how much it is going to cost. Right now they are spending considerable dollars defending a lawsuit in the Sunrise Theatre for overtime. There are other lawsuits that are filed that certainly are going to affect that number. The only thing they can do is estimate or project. But if she were to ask the City Attorney, he thinks he would agree with her that might not be realistic based on historical data. However, they can't determine who is going to sue them.

Commissioner Coke said she understands that. But as she is going further down the line, they are projecting a cut in medical services. How are they going to do that?

Mr. Recor said medical services are the costs associated with employee physicals for new hires. They are not bringing new employees into the organization, but rather they are only allowing existing positions to be filled. He thinks there may be one or two new positions or previously unfunded positions that are proposed to be funded. But that is what this category of expenditure is.

Commissioner Coke said rather than go over it line by line, because she needs to do that when nobody else... She didn't even have the opportunity to look at it earlier and there are so many things here. Their proposed budget is a huge cut versus not necessarily their adopted budget but their projected 2007-2008. What she doesn't want to have happen is to walk into this fat, dumb, and happy, adopting a budget that is balanced, only to find out they have passed something that is not realistic. The point she is making, if they need to make hard choices, they need to make them now. They don't need to be six months into the year and there are no choices to be made, so the General Fund balance goes way down and they have nothing for an emergency. She would much rather look at things more realistically now and act accordingly.

Mr. Recor said please don't misunderstand. They don't mean to paint a picture that everything is rosy. These were difficult choices. These were choices and decisions that were made by their Department Heads in a collective effort to reduce the operating expenditures to the tune of over 7%. Are they realistic? He thinks they are. He doesn't think the Department Heads would have made recommendations that were not sustainable. Are they going to hurt? You bet, they absolutely are going to hurt.

Commissioner Coke said she just doesn't see how he can realistically make that kind of cut. They are looking at \$100,000 a year cut in insurance. They don't know they are going to be able to do that. They are looking at vehicle rental and towing projected 2007-2008 is \$427,000 and proposed 2008-2009 is \$40,000. How do they make that change? She is looking at vehicle rental and towing that they are projecting to cut \$380,000 from Line Item 4420.

Ms. Johnson said the decrease in the insurance, that \$100,000, when going through their insurance payments they found out they were actually paying for the Sunrise Theatre. They paid for the last two years insurance on the Sunrise Theatre. And transferred that to the Sunrise Theatre. So it was a mis-budget appropriation on that.

Commissioner Alexander asked was that a reimbursement to the City?

Ms. Johnson said yes, it was. They did reimburse the City for that payment. But they did have it budgeted last year in the General Fund and it should have been with the Sunrise Theatre fund. That is what that decrease of \$100,000 is.

Mr. Recor asked what about the vehicle rental and towing. Why is it substantially...

City Manager Beach said it is actually the equipment lease column. Look at the Budget, Line Item 4420, and tell them what that equipment lease was.

Ms. Johnson said that was their lease purchase agreement they had for their equipment. They had taken out a loan of \$1.4 million for equipment and they had three years to pay it off. It was allocated over the years. That loan is paid off, so that is where the decrease of \$300,000-something came in.

City Manager Beach said the only figure that is in front of the Commission that the Department Head has taken a position that they don't believe that it is doable is legal. Everything else they see in front of them is something that is based on existing contracts, existing figures, decisions not to do certain things. So these figures are realistic. Does that mean they won't get hit with million dollar extra charges in health insurance next year? For this year he can tell them they won't, because they have a fixed expense through Blue Cross/Blue Shield. But next year are they going to come at the City for additional revenues? Absolutely. But they will know that at that time. They certainly don't have every unanticipated expense that may hit them within this budget. But what they are looking at, with the exception of legal, is the best guess that their Department Heads and Staff believe they can operate those departments for the next year.

Commissioner Coke said she appreciates that; but her theory is that she gets one shot at questioning this, so here they are.

Mr. Recor said when it comes to reducing the budget, there are only two areas they can do that. That is the first category of expenditures, which is personal services, or operating. The operating expenses have been reduced by 7%.

Commissioner Sessions asked dealing with vehicle rental and towing at 90% reduction and also crime prevention at 90% reduction, how do they propose to do that? What impact is that going to have on what they are trying to do now in terms of crime prevention?

Mr. Recor said these reductions absolutely represent impacts to programs and services. He knows Chief Baldwin would like to speak to the crime prevention, because that absolutely represents a reduction. It is Line Item 4820.

Chief Baldwin said he will start with the vehicle rental and towing. Their budget was reduced by about \$10,800. That actually is something they have been working on for two years. Last year they actually purchased a couple of vehicles to issue to their detectives so they would not have to rent vehicles. It was a couple of years ago when they were renting vehicles for \$200 a month. That price has gone up to like \$800 a month to rent a vehicle now. So they just stopped renting vehicles for their undercover detectives. They have a couple of vehicles they rent, the rest of them drive issued vehicles. So that reduces that expense. There is actually no impact to services or anything else. It is just a reduced expense there. As far as crime prevention, it says there was \$110,000. He didn't have \$110,000 for crime prevention in his budget.

Commissioner Coke said it shows he spent it. It says proposed \$110,000, projected \$110,000.

Chief Baldwin said no, the Police Department's crime prevention budget has stayed the same. It is \$10,000. He thinks there is an extra one (1) there.

Commissioner Coke asked who spent the other \$100,000?

Chief Baldwin said Ms. Smith figured it out. Last year they restructured how their budget was formatted. Last year they had their grants included in this. This year they don't. There was \$100,000 in the crime prevention grants last year. That money is still there. They are just not showing it in their regular operating expenses. It is on a separate page in the grants. Because it changes from year to year and it causes this kind of confusion, Ms. Johnson and he both agree that because the only money they spend is money they are getting in from an external source, it should not be included in here.

Commissioner Coke said so they are not going to cut \$100,000 on their crime prevention efforts.

Chief Baldwin said no. There has been no change to the crime prevention funding.

Commissioner Alexander asked they do have monies still there from the grant?

Chief Baldwin said yes.

Commissioner Alexander asked why is that? That is the purpose of writing a grant, to utilize monies. He is going back to cameras and cars and everything else. They still have it there.

Chief Baldwin said as they dig into this, it is going to get complicated. He is going to try to keep it as simple as he can. Last year they had \$100,000 in crime prevention funding. This year they still have that same grant, but the money is not in crime prevention, it is in capital. So they see it somewhere else in the budget.

Commissioner Alexander asked why is that? If it is supposed to be earmarked for crime prevention, why is it in anywhere else but crime prevention?

Chief Baldwin said grants change from year to year.

Commissioner Alexander asked they get more money every year?

Chief Baldwin said it is the way the money is spent.

Commissioner Alexander said the Chief said it is not spent, it is still there. He definitely is getting frustrated.

Chief Baldwin said if they would like to take the next hour and go over this, he will be happy to do that, he will spell this out.

Commissioner Alexander said he can 30 seconds right now as far as he is concerned.

Chief Baldwin said if he doesn't mind, he would like to clear this up, because he doesn't know that they need to leave this...

City Manager Beach said let him explain something before they go any further. This report they have in front of them, this Expenditures 2008, the thing they are all looking at and the thing Commissioner Alexander is asking questions about, when they talk about any of

these items, whether it is 4410, 4420, or 4430, what they are looking at are line items for 28 different departments all summarized into one. If they look at the detail budget in their budget memorandum, they will see that every department has a 4010, every department has a 4020. So everything that is within the General Fund in that column is in this summary.

Commissioner Alexander said that is understandable. But when they get to the bottom line and it says total operating expenses, if there is anything off there, it will make it incomplete.

City Manager Beach said that is correct. The point he is trying to make is, to describe to him why those are different, means an evaluation of all 28 departments in order to arrive at that figure.

Chief Baldwin said this is really just where they put the money and which line item they put the money in. The money is still there. Now some of their grants have reduced. Justice Assistance grants have come down considerably compared to what they were last year. But he has no control of that, it is the Federal Government who sets that funding. What he is saying is, the initiative is still there, but the money and how they are spending some of the money has changed. In other words, one year it might be operating, another year it might be personnel like overtime expenses, and another year it might be capital purchases such as community notifications, signs, speed trailers, those types of things. And it changes with the focus of the grant.

Commissioner Coke asked is Chief Baldwin saying that different grants are available to them on different years?

Chief Baldwin said yes. In other words, when grants are posted by the Federal Government or the State, some of them are pass through grants, they have different focus areas almost every year. One year it is Operation Cease Fire for combating gangs. The next year it is crime analysis. So they have to change their initiatives in order to get that money. It is the tail wagging the dog, is actually what it is, but they do try to take advantage of as much of that funding as they can. If the Commission is worried about a reduction in crime prevention services by the Police Department, that is just not the case. There is no reduction in this budget for crime prevention services to the citizens of Fort Pierce from this year compared to Fiscal Year 2009.

Commissioner Sessions asked could they point out the items that affect Public Works, so he can see what the differences are?

Mr. Recor said it may be more helpful if the Director of Public Works were to actually point out the impact.

Mr. Bob Hood, Director of Public Works, asked does Commissioner Sessions have a specific question?

Commissioner Sessions said no. He was hoping they could make it easier for him and narrow it down to what specifically addresses Public Works, the items that are affected on the list of expenditures. Does anything stand out in his mind?

Mr. Hood said one of the big things that is going to jump out at them on the list of operating expenses is that they have eliminated the temporary services category. It is about a \$200,000-plus reduction. Public Works has five different budgets they look at and approve. In the Parks & Grounds Division of the Public Works Department they will see that it has temporary service employees. Those are funded by the Solid Waste Department because they administer or run the trash crew for them. They have been doing that for about the last four or five years. So as part of that program, they do operate with temp service employees. But one of the biggest reductions in their operating expenses is in that category.

Mr. Recor said remember what the City Manager said, what they are seeing here is a summary of all of the departments that have a line item for temporary employee services. When they want to see the impact in Public Works, go to the budget book. For example, if they turn to Page 41 in the budget book, that is the appropriation detail for the Public Works Division entitled Director's Office and they will see that Line Item 3495 for Temporary Employee Services, and if there was money budgeted this year and what is proposed for next year. In the Director's Office, they didn't have temporary employee services. But on Page 44 under Fleet Maintenance, they absolutely did, they had \$10,000 budgeted in FY-08. But note, there is no money budgeted in FY-09. That represents an impact. Mr. Hood would be the best person to explain the impact that the \$10,000 reduction would have. There are those kinds of reductions throughout the various divisions of Public Works

Commissioner Coke said she sees they have in excess of a \$259,000 cut in temporary employee services overall. What percentage of that is Public Works?

Mr. Hood said over \$200,000.

Mr. Recor said as he indicated in the transmittal memorandum, that will affect certain levels of service, there will be slight impacts to the levels of service. The \$200,000 reduction in temporary employee services, when they say that represents a slight impact to the levels of service as they know them today, can Mr. Hood elaborate on what that means.

Mr. Hood said one of the things they have tried to do to keep up with the growth through annexation of the City and just the pressures on the city facilities due to the growth in the areas around the City in population, he thinks they are looking at a service area of somewhere in the neighborhood of 300,000 people now. Even though the population of the City of Fort Pierce is not appreciably increased, they are using the City's facilities. What they have done in the past is add some of the temp service workers to some of their other regular crews to make up during a shortfall either due to someone being off on sick leave or taking a vacation or that sort of thing. Plus, sometimes they have broken down some of their crews into two crews, for pot hole repair for instance, so one crew can be prepping while the other crew is actually making the repair, coming along behind. They cannot do that any more. If they reduce the level of temporary service workers that they have, especially if they reduce it all the way to zero, then that means their crews have to be consolidated again. They are not going to be doing as many things as quickly, so the quality of service goes down. They will get there, but they just won't get there as quickly.

Commissioner Sessions said in light of that, wouldn't he have to hire more people to keep up with the work given they are going to be doing it in-house? A man is a man. He can't see if it is temporary or permanent how they will get around not having the manpower in light of transferring the obligation in-house.

Mr. Hood said that is an excellent point. If Commissioner Sessions is asking him what he would like to have, he can show him a whole different budget. But this is the budget he can produce right now during these hard times that will get them through without having to reduce the regular employees they have now. By managing the crews differently, comprising those crews with different individuals, they will get to the problem area, but it is just going to be slower probably. No, it is not something he would rather do, he would rather have more people keeping up with the demands. But that is not what they were tasked to do right now.

Mr. Recor said to be more specific, if they refer to the third paragraph on the second page of the transmittal memorandum, the impacts in Public Works in terms of programs and services that they have become accustomed to - the contractual services for tree trimming, for landscape installation services, irrigation repair, grounds maintenance around the facilities the City owns - those have been reduced, as well as contractual services for janitorial services, sign maintenance and replacement. Those are some of the specific

examples of the types of services that will be impacted by this budget reduction. As Mr. Hood indicated, is this their rather? No. But this is their mandate from Amendment #1.

Commissioner Sessions said he hears what they are saying. But by the same token, isn't this a particular service that mandates hiring more people in order to supplement the temporary services that they would no longer be receiving. Maybe not as many, but he needs more people to work for him. Is he correct in this?

Mr. Hood said he would love it. He would love that the city and the general national economy was such that he could propose such a budget. But he doesn't believe that is what Amendment #1, what the people are saying, or certainly what he has been tasked to do by the City Manager and Deputy City Manager, and just the conditions they face today.

Commissioner Sessions asked are they going to be caught in a situation like they were in the Police Department with all of this overtime which has gotten extremely high? Is that what they are looking at in light of them eliminating temp services, contractual services, and bringing it in-house? They are dealing with that with the Police Department. So are they going to be dealing with that now with Public Works?

City Manager Beach said what they are dealing with is a lower level of service. The service will still be provided, but not at the pace that it has been provided in the past and not at the volume that it has been provided in the past. The budget in Public Works does not contemplate adding employees to take up for the loss of the temporary services. It contemplates less service, doing things slower, not responding as quickly, and that sort of thing. Is that an accurate statement?

Mr. Hood said yes, it is. They will notice in the budget proposal that they did not choose to lower the overtime line item. One reason is because they know they are going to be tapping that in different ways throughout the year, they want to have that flexibility. So they didn't just go through there and cut things without giving some thought to why they were cutting and how they were cutting. What Mr. Beach just indicated is certainly true. Everything is going to be reduced, it is going to be slower in response times. For instance, if they are out repairing a pothole somewhere, it is standard safety procedure to have a flag man. Those flag men have to be certified, they have to go through a training course to work on FDOT roads. But that is two people and that is all they are doing, one on one side of the work zone and one at the other. They will now have to use their employees. Those might have been temp service workers that would fill those roles in the past, but they can't do that now. So they are having to break down some other crews and put somebody on who might have just come off a street sweeper.

Commissioner Alexander said he doesn't seem like he is jumping on the bandwagon, but his question was six months ago when he asked about all of this annexation they are doing that he has to make sure that it comes in compliance with the City. He heard about the directional signage. They don't have the people out there to make sure these signs are right where this is a one-way and the arrow is pointing the other way, if they don't have individuals out there as such. He is not taking sides, but Mr. Hood has a \$200,000 deduction and he is running the most productive Directors they have. That whole beach causeway and everything, they have to go see for themselves. He doesn't know where it is going to come from, but that is what he is going to be pushing for him not to have to lose this in the final budget.

Mr. Recor said their challenge will be to identify then the \$200,000 in resources that will supplement that budget or replace that budget. That is simply to get him to where he was last year. That is not additional resources. He doesn't need to remind them, the boundaries of this municipality change every other week. They are constantly growing. Yet staff in Public Works has not increased since...

Mr. Hood said staff has never increased, it has always decreased since he has been here.

Commissioner Alexander said that is a common laborer. They don't have to worry about the longevity. They are there for long run. He is speaking of last year's budget did not include all the annexations that came in this year, not all the annexations that are going to come in within the next 12 months. If he is going to be truthful about things, he is looking at it in a different light.

Mr. Recor said just remember the challenge.

City Manager Beach said he would ask each of the Commissioners as they hone in on a subject that is important to them, please write it down; because when they try to summarize all of this, that is what they are going to go back to work on.

Commissioner Coke asked do they have the total percentage they are reducing their budget by citywide as well as percentage of reduction broken down by departments?

Mr. Recor said somewhere they have that number. He believes the difference for personnel, operating, and capital between adopted 2008 and proposed 2009 is about 2.29%.

Commissioner Coke asked is he saying their overall budget for the City this year is 2.29% less than it was last year?

Mr. Recor said the total for personal services is an increase of 4.23%, the total reduction in operating is 7.3%, the total reduction of capital is...

Commissioner Coke said let her ask the question a different way because she obviously is not asking it so it is understood. Let's say for instance they spent \$100 last year with the City's budget and this year they are spending \$90, so they have a 10% reduction in their budget. Can he tell her then what the breakdown would be by department of the reductions?

Mr. Recor said he could, but he couldn't do it right now. It would take him just a few minutes to make that calculation.

City Manager Beach said if they go to Page 4 in their proposed budget, what they have are the total summary of revenues for the General Fund since 2006. That gives them the difference in the budgets.

Mr. Recor said if they go to the first handout with the title Estimated Revenues, go to the very last page and they will see the difference by department and the percentage change by department. The Finance Director has pointed out that is the difference between the drafts and not from fiscal year to fiscal year, but they could determine that, they could make that computation. Let him just point out some of the other services that may be impacted. They will note the contractual planning budget has been reduced by almost 30%. They have gone from approved this year of \$175,000 to just over \$123,000. At their last joint meeting of the County Commission and the City Commission, both Boards agreed that they should be moving forward with a community planning initiative, a charrette for planning of the Wastewater Treatment Plant. They have a tentative budget figure included in this proposed figure as well as probably 50% of the appropriation for rewrite of the Land Development Regulations. They feel like between the money that is available this year that obviously this 15-month project is going to carry over. But that would be it. Those will be the only contractual planning initiatives that they will be able to move forward in this budget. They will note a 70% reduction in temporary employee services. They just heard where the bulk of that is coming from. They will note that travel and education as well as conferences organization-wide in their General Fund in combination have been reduced by almost 25%. Other operating expenditures that are worth mentioning, they will note building maintenance has increased by 30%. Just as their municipal boundaries are

growing, as they bring on these capital projects that are being built, Public Works is being tasked with maintenance, i.e. the parking garage, they are now responsible. The parking garage is the City's and they brought it on line for maintenance, so the guys are out there taking care of the elevators, handling the vandalism, cleaning the parking garage. There will be additional expenditures when the office tower opens as well.

Commissioner Coke asked do they know why the parking lines have disappeared in the garage? She has had more people call her and say the garage is two months old and all the stall paint has faded.

Mr. Recor asked the actual lines?

Commissioner Coke said yes.

Mr. Recor said he does not know. The costs associated with vehicle maintenance, he thinks that is worth noting because it is an increase of almost 34%, the cost of gas and fuel. They will note on Line Item 4985, the tax increment financing number, this is where the \$750,000 reduction occurs. Again, what this means is that is \$750,000 less in available resources for the FPRA. Another increase in cost associated with their operating expenses worth noting here is the increase in gas and oil, something that is hitting them all both professionally and personally. A notable reduction here is the reduction in books, subscriptions, memberships. For a total reduction in their operating expenses of 74.3%.

Commissioner Coke asked what policies they have instituted or proposed to cut down on gas and oil consumption as well as electric consumption? She knows the County has turned lights off, when they walk through the building the hallways no longer have lights. She walked in here today and saw not only the cone lights but the overhead lights are on. Have they instituted any policies? The Chief has talked about taking away take-home cars for people who sit with cars idling. She thinks they need to have some firm policies. She knows they can't control the price of gas and God knows they can't control the price of utilities. But they can control their usage. She thinks they need to do something to put some very stringent policies out there.

Mr. Recor said that is a good point. Although they have not established any formal policies, he can tell them their Marina Manager is leading by example. He has brought in an outside consultant to come in and study how energy is being used in the Marina - the type of light bulbs that are being used, how power is being consumed. They have considered doing something similar for City Hall in particular. But there certainly would be some advantage in cost savings associated with that.

Commissioner Coke said she doesn't know how everybody else feels, but if they are going to lead by example, then that is what they need to do. She would think when they look at the huge increase in what they are going to be paying the Fort Pierce Utilities Authority for electric... They need to look to go to solar power wherever possible, they need to turn lights off here at City Hall, they need to consider solar sensitive street lights so that the lights don't come on at 6:00 p.m. when it doesn't get dark until 9:00 p.m.

Mr. Recor said reduce the temperature of the building on weekends when it is not occupied. He can tell them that their Risk Manager has identified the potential for solar panels to be installed on the parking garage. So they are thinking creatively, although they have not established formal policies.

Commissioner Alexander asked how long is it going to take to implement that?

Mayor Benton said first they have to have the facts. After coming back from the Mayor's Conference and learning about a lot of grants that are out there, he sat down with Christa Razem so they can find out what they can do. Like the Sunrise Theatre with their electric bill, if there are solar panels that can be installed and they can save. And it can be paid

back in a 7-year time frame is what they are saying, just with the costs they are saving. They should be doing it. It is just mainly getting the facts. But there are grants out there. He thinks what they will all be doing very soon is discussing what they can do. In other words, challenging themselves. Can they cut back 5% or 10% by turning the lights off at night? What can they do and what are they willing to do? He has brought up the possibility of garbage pickup once a week. How much are they going to save in fuel at 2 miles to a gallon with those trucks? They are going to have to lead by example. Turn that thermostat up, cut the gas costs, and what they can do with solar power.

Commissioner Coke said she guesses her frustration is, here they are facing a budget crunch, and obviously they are not giving Mr. Hood what they should be giving him to do the job that they would like to see done. Instead of cutting back on temporary services, it would seem to her to be so much smarter to find a way and start implementing policies to start cutting back on their electric consumption, gas consumption, and water consumption. She thinks a lot of those things can be done relatively inexpensively.

Mr. Recor said there are absolutely incremental approaches that when added together can have a cumulative effect on the bottom line. There is no question about that.

City Manager Beach said he thinks the subject is of sufficient concern to everyone that it would be worth their time to convene a workshop specifically devoted to energy conservation planning. Have this Commission involved in that and invite people in to give them suggestions and recommendations and alternatives that they can look at and implement on that subject. He thinks all of their departments for the last year have been very conscious of energy consumption. Just through the natural course of their work, they are looking for ways to do it better. But they haven't formalized that. He thinks that is what they need to do.

Mayor Benton said FMPA, which is where they get their power from, is looking to get into the solar business and they are looking for an area. He has suggested the airport where there is a lot of vacant land that could be used for a solar farm and it is close to the grid. FMPA is looking into these areas. He thinks even public buildings with solar panels, they can save on their power and then they can sell the power. Unfortunately they don't have all the details, but they will have more real soon.

Commissioner Coke said she thinks it is very important that they move forward as quickly as possible. It sounds silly, but over in the ladies room at City Hall, when they open the door, the toilet flushes, and when they go into the stall, the toilet flushes. So how much water are they wasting every time somebody just walks into the ladies room? Whether they utilize the facilities or not, the toilet flushes three times.

Commissioner Alexander said for six and a half years the toilet has been running in the Chambers since he has been here. They haven't noticed? It hasn't been corrected in six and a half years. How much money has that cost?

Commissioner Sessions said it seemed to him personally, in his office and home, his bill went up when he started making adjustments because of that power cost adjustment. The more he saved, the higher that went up. His bill is higher now than it has ever been before because of that. Maybe if they could convert over to solar energy, they would probably see the biggest impacts, because conserving energy is not the answer.

Mayor Benton said the City of Miami has turned the area around their City Hall now into a solar grove, where they have reduced their electric costs about 7%. But that can be done. There are grants where they can pay for it in seven years. He has heard presentations. Sometimes the presentation sounds a lot better than the facts behind it.

Mr. Recor said there is obviously interest and there is obviously opportunity. Let staff follow up with some additional research on use of solar. He knows this next slide is going to

generate some discussion. He will simply note that they will see the reduction in capital. They have a 75% decrease in capital. They will note there are no vehicles, there is no equipment, there are no radios. Is this a sustainable approach? No, they don't think it is going to be, they are not going to go through the year without equipment. But the choice will be, identify the resources from somewhere else in the budget to supplement the revenue so they can add these expenditures back in.

(The Commissioners took a lunch break from 11:40 a.m. to 11:55 a.m.)

City Manager Beach said they are now wrapping up the expenditures in the General Fund for 2008-2009. What they have in one of the handouts in front of them is the difference in the capital outlay from last year to this year. Last year they had \$1,052,000. This year they are looking at \$265,000 in equipment acquisition. As they started the discussion this morning, several of them brought up whether or not it was a realistic approach to budgeting and to the operations to reduce all of the equipment acquisitions. All of them have heard him and other Department Heads over the past years talk about the idea of putting off equipment acquisitions. It is a temporary measure, they can get by with it for one year; however, next year they are going to be looking at doubling up on what those acquisitions may be. They are by all accounts in difficult times, but there are some expectations out there from the public that they do certain things. This is the reason this budget is in that configuration. They can make it a year without equipment, at least they believe they can. But all they are doing is buying time with that policy. So he would like to have their input and comments and direction, if they have any, in regard to this subject.

Mayor Benton said if they had a list of equipment or vehicles that were on their way out that had to be replaced, he would hope with the price of gas and the economy that they will be driving less and only when they have to. He knows with the Police Department and Public Works turning off their vehicles now, where they used to leave them running, maybe it will put a little time on them. But they have vehicles that really need to be moved along and retired. He would hate to get where they have a year where they have to spend several million dollars on vehicles for the Police Department.

City Manager Beach said if they would like to hear from the Police Chief and the Public Works Director, they are the primary departments that have a huge fleet of vehicles. It may be appropriate that they spend a couple of minutes describing where they are with their fleets.

Commissioner Alexander said he noticed a lot of cars parked in the garage. Are those cars being utilized on a daily basis? He is talking about the ones with the City tags. Are those being utilized every day and accountable for the mileage and who is using those vehicles?

City Manager Beach said he is going to assume those are being used on a regular basis. If those are not being used on a regular basis, they should be stored at the Public Works Compound. If they are parked in this garage, it should be because they are a necessary part of somebody's daily work.

Commissioner Alexander said he thinks there are some out there growing moss underneath of them.

City Manager Beach said he is giving them what his assumption is. If they are using that garage for storage, he would be surprised.

Commissioner Alexander said he is not being facetious. But they have departments that need extra vehicles and these vehicles are sitting there. Why could they not utilize those vehicles until they can get past this? He asked about the capital outlay about vehicles. This Building & Code Enforcement Department is asking for a car. They don't have enough cars nowhere out there? They put their Building & Code Enforcement in Engineering cars

and sometimes four-wheel drive vehicles so they can go through the terrain and all. Maybe he is in error, but he is just asking the question, because he is seeing zero there.

City Manager Beach asked would Commissioner Alexander tell them what page he is on?

Commissioner Alexander said Page 30. Again, he is just trying to see if they can utilize some of the existing stock they have. He knows they need to do their job, he doesn't want to hinder their job. So if they need vehicles, let's go get them.

City Manager Beach said he thinks Commissioner Alexander just saved them another \$36,000, if that is in fact part of budget, because they have eliminated all of them from the budget and that should not be in there.

Mr. Recor said that is actually an expenditure in this fiscal year. It says projected for 2008. Proposed for 2009 is zero. It is not in the proposed budget.

City Manager Beach asked can Chief Baldwin describe the condition of his fleet and what he believes to be the impact of not having any vehicles available for this year.

Commissioner Sessions asked in light of the fact they are cutting back now on capital purchase of vehicles, they will change their policy with take home vehicles? He went down to the TPO meeting last week at Port St. Lucie and he saw more Fort Perce police cars in the yards than he did Port St. Lucie cars. So he can see that it is still a policy that is in place. What are they going to do in order to make a difference in terms of take home vehicles? It looks like that would preserve their stock if they were to stop that policy.

Chief of Police Sean Baldwin said he has two issues before him. He will take the first one about generally the fleet and then he will talk about the take-home vehicles. The Police Department right now has about 17 vehicles that the Police Department's Fleet Manager and the Public Works Fleet Manager are recommending be replaced. He will give a couple of examples. A number of those cars are classified as being in very poor condition. One is a 1998 Ford Crown Victoria with 167,000 miles on it. These are Police Cars that are 10 years old. In their operating expenses, they increased their vehicle maintenance accounts by about \$50,000 to try to get them through this next year with the vehicles they have. There are going to be some vehicles they have got to replace some engines, some transmissions, and so forth. He thinks one of the biggest considerations they are looking at now with the older vehicles is the fuel economy. These older vehicles, some of them they are literally adding a quart of oil to them to work their shift and they are burning fuel and stuff like that. So they have to find a way to replace those engines or replace those vehicles.

Commissioner Coke asked how much is an engine versus a car?

Chief Baldwin said an engine is about \$2,200 by the time they get it installed and running and all that, if nothing else goes wrong, if the transmission doesn't go wrong.

Commissioner Coke said so they replace the engine, then the transmission goes, then the radiator goes.

Chief Baldwin said the rear end goes, the air conditioner goes, and all that. He has to tell them, the City Garage does an incredible job with their vehicles on an extremely tight budget. They have \$70,000 or \$80,000 a year to take care of 150 cars they have at the Police Department. It is just incredible. It just baffles him.

Commissioner Coke asked how much is a new car?

Chief Baldwin said a new patrol vehicle is about \$33,000 with all the equipment and everything it needs. The patrol fleet or the emergency vehicle is truly the priority. So they

have about 17 vehicles they need to replace. They know a couple of those are going to go down over the next year, no doubt about it, and will not be worth fixing. The rest of them, they think they can keep going. They may run short on vehicles and they may have to retract some of their take-home vehicles as a way to deal with this. Commissioner Sessions wasn't here these past few years, but they have discussed the take-home vehicle program every single year they have done the budget for at least the last four years. He knows for a fact they have evaluated it every year. Their take-home vehicle policy right now, just to make it simple, is that an officer has to live either in St. Lucie County or within 10 miles of the City limits, which puts it just a couple of miles into Indian River County because there are some officers who live up there, and that is actually a shorter distance than it is to the south end of St. Lucie County. That policy was implemented. It actually started out just in the City and then it grew to the County and then it grew to 10 miles. It was implemented so they could be competitive with the other agencies in this area in terms of salary and benefits. That was the sole reason why that was implemented. If they do something now to retract from that, they are cutting another benefit from the officers and it is going to cause them challenges in terms of recruiting and retaining employees. So don't think of it as just a take-home vehicle, think of it as the whole salary and benefits package. He acknowledges the fact they are going to have to continue to monitor it, they are going to have to continue to evaluate it. If they get into a position where they don't have enough vehicles, expenses go up and that kind of stuff, they are going to have to probably look at retracting some of that or tightening it up.

Commissioner Alexander asked does the Chief think they are now in a position where they have to worry about surrounding counties hiring their officers?

Chief Baldwin said absolutely.

Commissioner Alexander asked they don't have a hiring freeze like Fort Pierce does?

Chief Baldwin said there are agencies that are still hiring, yes. It is not like it was five years ago or even two years ago.

Commissioner Alexander asked is he telling him a take-home car is what is going to determine whether they go to another agency or not?

Chief Baldwin said the truth of the matter is that their salaries are lower than any other agency in their area. Their employees are now paying more for insurance than other employees in other agencies. Their take home pay is less. In almost every single classification of salary or benefit, Fort Pierce employees are the lowest on the board.

Commissioner Coke said first of all they don't want to even go there.

Chief Baldwin said he doesn't want to go there. He is trying to talk about the budget.

Commissioner Coke said two years ago they were told if they do this, they will be competitive. And according to the insurance consultant who came in, the raise they have made now still puts them in a better position than everybody else as far as what they pay for health insurance. Although she will agree with the Chief that there may be other agencies around who are hiring, she would put to him that between other agencies who are around locally, certainly they could not absorb all of their police officers. The vehicle policy is one thing. Her concern is out of these 17 vehicles he is telling her needs to be replaced, can he tell her how many are patrol vehicles?

Chief Baldwin said 9 or 10 are patrol vehicles.

Commissioner Coke said on their take-home policy, she understands it is St. Lucie County or within 10 miles. She assumes it is not only the car, the insurance, gas, wear and tear, but everything is being covered on the vehicle. The officer has no expense?

Chief Baldwin said correct, there is no expense to the officer.

Commissioner Coke asked do they have a verification...? When he leaves work one day and has 100 miles and is not scheduled to come back to work for three days, and he comes back and has 3,000 miles on the car instead of 10 miles back and forth. When gas gets to be \$4.00 a gallon, it is something to be concerned about, that the vehicle is going home and being parked and not being utilized again until it is time to come back, that it is not being used for personal use. And she has seen when there are on off-duty details that the police cars are taken there. She always had a problem with that because is the City of Fort Pierce paying for gas and insurance, enabling somebody to go to make extra money that they are only qualified to make because they are a City employee? She would certainly think they would be taking their own vehicle to make extra money and not spend the taxpayers dollars to get to and from their added source of income.

Chief Baldwin said he agrees with her on two points she made. Their policy first says that the vehicles will not be used for personal use. The vehicles are used if they are coming to work, going to court, going to a training function, or something that benefits the City of Fort Pierce. As far as the off-duty details, they are in the process now probably just weeks away from implementing a new fee schedule for their off-duty details that will likely recover charges for using police vehicles, either from the people they are contracting with or the officers themselves. One way or the other they will pay a fee for that. The Commissioners may recall he discussed the possibility of implementing a fee to the officers for taking the vehicles home of \$10 a pay period or whatever it was and they asked that he include that in the contract negotiations. Those are still underway and that is something that is on the table. He really didn't want to get into a discussion about salary and benefits because he thinks that is something they need to do after the budget is resolved; and they can look at the facts and see where they can go and see if there is any room at all to address that issue. He knows Deputy City Manager Recor mentioned that in his transmittal memo with the budget.

Commissioner Coke said she is just not sure she understands the concept that City vehicles are being used for officer's part time jobs.

Chief Baldwin said he absolutely agrees with her. He worked with the City Manager for about eight months on implementing this. They will take care of that, he assures her.

Commissioner Coke said she doesn't know how else to tell Chief Baldwin this, but if he has been working on it for eight months... It is a simple thing. It is a management policy. Say this car goes to and from work, period. If the officer is going to a part-time job, take his own car.

Chief Baldwin said he is sorry it takes them so long to implement some of these things, but he prefers to do them right and to do them in accordance with the law and their contracts and all that stuff. Sometimes it is just not that simple. In this case, it is just not that simple to sign a memo, because they are impacting their employees, they are impacting their lives, they are impacting the benefits they receive. They really need to be careful when they are doing that. He is not saying that it doesn't need to be done. But some of these projects take research and take time to do. If he had a staff of ten people who could do nothing but work on that stuff, then he could get it done a lot faster, but he doesn't have that staff.

Commissioner Coke said she is just glad to see he is getting as many gray hairs as she is over this.

Chief Baldwin said he is now losing hair, just for the record.

Commissioner Sessions said he understands that he might want to reserve this for union negotiations. But when they are talking about cutting back on vehicles and his City

Manager is telling him they are just delaying the inevitable, eventually they are going to have to purchase cars, that is an indication to him. He doesn't need to be a mechanical engineer to know that they need to preserve what they have. In order to do so, they need to stop putting as many miles on the vehicles they have if they are not used for the purpose that the taxpayers placed them on the highway for, that is not to commute back and forth not taking care of business of the City. So he just gets discouraged when he sees cars in Port St. Lucie in people's driveways that could be utilized here or at least preserved here. If they are not purchasing any cars, they need to preserve these cars and not use them unless they are taking care of City business being Police Officers within the City of Fort Pierce.

Chief Baldwin said he just wants them to understand, he is enforcing the policy that was adopted by this City Commission with respect to take-home vehicles. If that policy needs to change, all he asks is that they consider the impact that has on their pay and benefits package to their employees, because there will be an impact to that. He just asks that they consider that if they are going to move in that direction. They have done this study for the last three or four years. Allow him to provide that information to them. Just as a bit of history, they used to not have take-home cars. They hot-seated cars and the cars ran 24 hours a day. They destroyed the cars doing that. In other words, they were buying cars once every three years instead of buying cars once every ten years. Some of their patrol vehicles are now lasting eight, nine, or ten years. That is because one person is assigned to the car, one person drives the car, and the person does have it as a take-home vehicle, but they take care of the vehicle. So there are some advantages. There are also other advantages. Just the car driving from the person's house to the substation or to the main station to start their shift or to court or to a training function and driving through their jurisdiction, there is an advantage. It is one more patrol car their citizens see. Who knows, it could save a life. Often their Police Officers will be on their way to training or on their way to court, and there will be a crime in progress or something going on, and they will handle that call on their way. They couldn't do that if they were in their personal cars. So there are advantages to this beyond just getting to take a car home. Because there is a lot of responsibility with getting to take that car home.

Commissioner Sessions said he has a list from here to that river out there as to reasons why City employees should live within the City, but he won't get into that.

Chief Baldwin said it is healthy to look at these things constantly. And he agrees with Commissioner Coke, with the price of gas going up, it is costing the taxpayers more. They may want to address that through their contract negotiations or have a fee that the officers are paying to take their car home. They talked about \$20 a month before. Maybe it is something they want to do. But he suggests they do that when they look at the entire pay and benefits package all at one time as they are making that decision. Of course, they don't have to follow his recommendation, but that is his recommendation.

Commissioner Alexander said he is looking at gas and oil line item from 2006. But in 2006 to present, it has been much more of a jump in gas cost. In 2006 is the same as 2007 and 2008, and all of a sudden close to 2009, it is \$140,000 some difference. How can that be? In 2006, he was paying less. He has a fleet of cars and he knows today what it costs and what it cost yesterday. It is definitely a much larger gap than this. Because he is looking at almost a replica of numbers here - \$348,000, \$334,000, \$334,000, \$334,000, and then \$471,000. Page 35, Line Item 5210. He is looking from actual 2006 to proposed 2009.

Chief Baldwin said looking at the actual figure from 2006 being roughly the same as the actual figure in 2007, and then in 2008 the figure is about the same. He thinks what has happened is their budget has increased every year, but they have every year spent more money than what they increased their budget, so they are spending \$334,000. They projected that is going to go up considerably this year. He will be honest, he can't explain why it is like that.

Commissioner Coke said this says actual in 2006 is \$348,941; actual expenditure in 2007 is \$334,000; adopted in 2008 is \$334,039; projected in 2008 is \$334,039; and proposed in 2009 is \$471,837.

Chief Baldwin said he can tell them the projected 2008 is wrong. They will be well over that figure, no doubt about it.

Commissioner Alexander said he has been very much in support of their officers taking cars home. But with these kinds of figures showing, he can see why Commissioner Sessions is questioning that. He is going to get off that and go to one of his sensitive issues. Line Item 5430, law enforcement education, does that include any sensitivity training?

Chief Baldwin said he is trying to think what is in there. No doubt that it does, he is just trying to think of specific...

Commissioner Alexander asked so they have a sensitivity program implemented with results? He would like to see some of those.

Chief Baldwin said he would have to come to the training class in order to see that.

Commissioner Alexander asked they have to record those things, right? Commissioner Coke asked him to implement that about a year ago. There should be some recorded information on it.

Chief Baldwin said they are actually required by the State of Florida to do a cultural sensitivity class for their officers.

Commissioner Alexander asked it should be in black and white, right? So he can read it at his pleasure then.

Chief Baldwin said absolutely. He will send him the list of training their officers have done for cultural sensitivity.

Mayor Benton said he knows most of the police cars throughout the country are the Crown Victorias, but he heard they were looking at possibly going to Impalas because they get better mileage. He saw in Miami where they had a fleet of 37 hybrid Tahoes, which they think they are saving money, but it was given to them to use for a year by General Motors. What he is thinking is, if they are looking at saving, maybe through one of the other car manufacturers, if they are looking to get into the law enforcement field, there might be a grant out there with one of these. He knows Fort Pierce is a small city, but there might be the ability to try out one of these new vehicles with better fuel economy. He doesn't want to cut safety. He knows that is why they have used Crown Victorias and bigger cars, for safety reasons. But there might be something offered out there on a test basis that they can try out. It is worth looking into.

Chief Baldwin said for patrol purposes they can't use anything... They have to use industry accepted standards. The standard now is the Crown Victoria and also the Chevy Impala. They have looked at the Chevy Impala. In fact, they sent staff from the Police Department and Public Works over to Polk County where they have been using the Impalas for a couple of years. They claim their program is very successful. There were some drawbacks in terms of training and retooling their garage and so forth. But he thinks now that the cost of fuel has made it now where financially it is logical to look at that and see if they might switch their fleet over to the Chevy Impalas. Savings in gas is 3 to 5 miles per gallon. It doesn't sound like a whole lot, but if they are looking at a fleet of 100 cars and multiply that out over a year's time, it is a significant amount of fuel. They are already working on that. Of course, they don't have any money to buy cars, but they are working towards that.

Commissioner Coke said she has a question that kind of throws her in a quandary for this entire workshop. On Page 35, it says projected gas and oil \$334,000. His response to her was, that figure is incorrect. Can somebody please tell her how she is supposed to look at the projected 2008 expenditures and the proposed 2009 and see a proper correlation between the two if she is being told this late in the game that figure is not correct?

Ms. Gloria Johnson, Finance Director, said it is partially her fault, because when they were doing the budget, they were instructed that they cannot spend more than what they were budgeted last year. So in most cases, they did do that in some departments. But because some departments would take a long time to do and combine, they only posted the actual budget for some of the departments, because they were not supposed to exceed the budgeted amount for that division. So they just carried that over.

Commissioner Coke said she appreciates her honesty. But then if the projected budget was \$334,000 and they have no idea how far over budget... She knows Ms. Johnson is saying everybody was instructed not to go over budget, but obviously...

Ms. Johnson said they will update those numbers and they will have them by the next budget workshop.

Commissioner Coke said they have talked before that when there is going to be an expenditure that is over the budget amount, they as a Commission did not want to wait until today to hear about it. On a quarterly basis if the Chief is overspending on gas or advertising or crime prevention by 20%, 30%, or 40%, she thinks it is necessary for her to do her job to know that as the year progresses, not to wait until the Chief needs \$471,837 next year for gas, and she is walking around fat, dumb, and happy thinking they got \$334,000 from last year. She knows they do budget amendments, but they have talked many times about doing budget amendments on a quarterly basis rather than at the end of the year and wondering where did all that money go?

City Manager Beach said when the gas prices started approaching \$2.50 and \$3.00 and \$3.50 and \$4.00, he recalls very specific discussions saying that everybody who has a gas and oil budget is going to bust it terribly this year. That is just a statement of fact. They prepared a budget last year with gas prices at one level; and as they go into it, gas prices doubled.

Commissioner Alexander said but it doesn't reflect here.

City Manager Beach said it doesn't reflect there because there hasn't been a budget amendment to accommodate it. This monthly book has the detailed expenditures in it and exactly what has been spent in that line item. This is the document that comes to them each month, so it is reflected there.

Commissioner Coke said she really doesn't want to get into a world war with him. But the same as she understands having the discussion that gas prices were going up, she also recalls they as a Commission saying as things go up and line items change, they want to be better informed about it throughout the course of the year rather than waiting until now.

Ms. Johnson said they were supposed to give them a quarterly report; but they have been so busy with the budget and she hasn't had any help. That was her job to do the quarterly report. It is done now and it is in production. She is sorry she didn't get it to them earlier. It is just that the budget and transition from Mr. Bergalis and all of the other things, she wasn't able to get it done. But it is complete now. She will get it to them by Friday.

Commissioner Alexander asked are they going to hire a replacement for her?

Ms. Johnson said they just did.

Chief Baldwin said he can tell them the Police Department will exceed their budget by \$90,000 this year for fuel. They tried to take that into account in the budget for next year. Of course, they have no idea what the price of gas is going to be next August.

Commissioner Coke said if he is going over \$90,000 this year, she doesn't think he budgeted enough for next year.

Chief Baldwin said part of their strategy there is to save 10% to 20% in their fuel cost this next year. They have already implemented things he is confident will get them to that. The Commissioners aren't finding things they haven't already thought about and spent hours discussing and trying to develop strategies to work beyond. There is no doubt they will be over their budget in fuel this year. He can't really explain the 2006-2007 difference, he just doesn't know.

Commissioner Coke said if they had a money tree and it started to bloom today... What Chief Baldwin is telling her is 17 cars, 10 of which were patrol cars at \$33,000 a pop. So if he could pick one little wish off the wish list for capital improvements, it would be an additional \$330,000 for patrol vehicles? She is not saying he is getting it.

Chief Baldwin said this has been all about choices, choosing between this and this. That is why they have gone through every line item in their budget. Their choice has been to deal with the car situation, even if they have to cut back on their take-home car program a little bit in order to get through. That is the choice they are making so they can keep their officers out on the street and their support personnel employed so they can continue delivering the services. If she is asking him, if she has a gift she is going to give him, he will take the \$330,000 and buy new cars. If she is asking him to take that \$330,000 and decide what else is going to be cut out of his budget, he would decline her generosity and say he would prefer to have the budget as it stands.

Commissioner Coke said his last statement brings up a very interesting point. When they talked about changing the policy of officers using cars for outside work, he tells her they have been investigating that possibility for eight months, but it is a negotiation point in the contract and it is a benefit. But then five minutes later the Chief is telling her they might have to change the take home car policy. So if it is that way when they are looking at saying they need to look at something, then it has to be the same contract negotiation point when he is looking at it. She is not going to beat that dead horse. She just wanted to make her little note. If the money tree bloomed and they had all kinds of money, he would be looking for 10 new patrol cars at approximately \$33,000 apiece.

Commissioner Alexander asked they would support that, would they not?

Commissioner Coke said yes.

Chief Baldwin said remember, they still have contract negotiations they are dealing with.

Commissioner Coke said go right ahead and deal with those.

Commissioner Alexander said he thinks he was maybe a little hard on the Chief yesterday, but just because he cares he had to take his feelings and set them aside because he is concerned about this community. They implemented a new community policing with 15 officers. As he looked through the roster for his officers, he has 14 sergeants. Then he looks in the FPRA, he has 2 sergeants. He doesn't know if that is 14 plus 2, or that is 14 including the other 2. But there still is no African/American sergeants. Here they are going to another level and they have 14 sergeants and not one black sergeant. The hub of their problem is in that policing policy area, whether they call it northwest side, Avenue D, or Lincoln Park. He has a problem with it. Rushing police in to swarm a condition and then they look around and they have no supervision that any of the family members or anybody across the street may sit there looking at... Nothing against white officers. But it is

something against not having an African/American there with some sergeant stripes on. He is going to hold that to him and he might take that to his grave with him, but he has a problem with that. He is looking at here he has 15 officers, 2 sergeants are already assigned. He is going to leave that conversation alone.

Chief Baldwin said as he told him yesterday, he is absolutely committed to his cause and he will appreciate his help in resolving it.

City Manager Beach said if they have their input from the Chief, he will ask Mr. Hood to describe his fleet. What kind of problems are existing and what difficulty is this going to create for the delivery of services in Public Works next year?

Mr. Bob Hood, Director of Public Works, said they did not request any capital expenditures for vehicles this year. In the City's fleet are about 323 vehicles they maintain. That includes the Police Department's vehicles also. They practice in the Public Works Department what is commonly termed a trickle-down. New vehicles are used, then they go to a lesser use when they reach toward the end of their life span. That has worked for them. Right now he has a Facilities Maintenance Manager using a 1994 Crown Victoria that has been in their department for a number of years. Its replacement is used by their Safety Training Officer and others right now. The take-home policy in the City's second largest department is a little bit different than the Police Department. Number one, they have a five mile radius from the City limits governing take-home vehicles. They are authorized nine. They are down one manager in their Streets & Drainage Division, it is an unfunded position. The Deputy Director and he have been filling in that role for the last year and will continue to do it for this coming year. That vehicle is not shown. When they allow a manager or supervisor to take home a vehicle, it comes with a condition. It means that person will be available to him or the Deputy Director, Nick Mimms, when they call him.

He cannot recall a single weekend that he has not received a call at home on some type of emergency and he is sure Mr. Mimms can say the same thing. What that means is, sometimes they ask their Division Managers to get in the vehicle that is provided by the City and the taxpayers, and go to that problem and determine what needs to be done and who needs to be called out. They also have one vehicle that is a take-home vehicle that rotates in the Streets & Drainage Division which is on a 24/7 call by 911. They have been doing that for a number of years. So they do have some take-home vehicles, but those are very limited in number.

City Manager Beach asked if Mr. Hood doesn't acquire any replacement vehicles this year, not just the cars and trucks they drive, but mowers, tractors, and so on, if he doesn't replace any of those this year, what problem does that create, if any?

Mr. Hood said what it does is just defers the inevitable. He has indicated in the past workshops that some of the vehicles and equipment they use in the Public Works Department are very costly. They are diesel powered. There have been some changes in the pollution requirements for diesel motors over the last couple of years. It has increased the cost of that tremendously. To give them some idea, if they see a tandem dump truck going down the road carrying some fill out to the Causeway Park, that vehicle is going to cost, if they were going to buy one today, somewhere in the neighborhood of \$100,000. The street sweepers they see out cleaning the streets and keeping that material out of the storm drains, the last one they bought a couple of years ago was \$145,000, and that was the stripped-down model, no bells and whistles. They have some vac-con units that can clean pipes using suction that cost the City over \$260,000 each. What he tried to do and what all the division managers tried to do when they had sessions to prepare the budget was to look not just for the next 12 months, because really they start preparing a budget that has to take them theoretically 18 months, and ask what is the condition of their equipment? They have the benefit of having the Fleet Maintenance Division Manager as part of the Public Works crew, so he sits in on these meetings. They try to be realistic about it. If they have a piece of equipment that is vital to their needs and they just are not going to be able to repair it, he would include it as a capital expenditure item. But they feel

like for the next 18 months hopefully, fingers crossed, they can keep repairing these units and not have to make that expenditure. On their gas and oil expense, they have tried to keep up with that and budgeted. Last year they increased that by 25%. The year before they increased that expenditure line. This year he has increased it by 30%. Is it going to exceed that? He does not know. Last summer when they were sitting around talking about budgets in their department, he facetiously said \$7.00 a gallon for diesel. He does not know that they are that far away from it, diesel fuel is \$5.00 a gallon at times. In trying to budget for that, if he had it pegged he would probably be playing the commodities market and be very wealthy, but he doesn't. They are trying to stay up with it so they are not caught up in having to shift money from some other source.

Commissioner Coke said she knows they have talked over many months now. But in an effort to make an informed decision when they have their fourth or fifth budget workshop, because she doesn't think they are going to get through all this today, it would really be a great deal of assistance to her if he could tell her for the last five or six years the number of people employed by Public Works. When she says employees, she means full-time employees, part-time employees, and temporary service contract kind of people. Tell her what his manpower resources were for the last five or six years and also compare that to the number of square miles in the City and additional responsibilities they have given him that are included in his budget. She understands it is not just the fact when they annex he has to go mow another 10-feet of right-of-way. She understands that as they build new buildings, all the electricity for everybody comes out of his budget. In order for them to have a good concept of where they have been and the responsibilities they have given him versus the manpower and the additional expenses and responsibilities they have given him. She would like to see 1999 through 2008, this is the number of people, the square miles of the City, the additional responsibilities the Public Works Department has.

Mr. Hood said he can do that.

Commissioner Sessions said if there is one department he can see where they need to increase personnel and capital, this would be the one, even in light of the dire straits and times they are facing. Because as was pointed out, Mr. Hood has a bigger responsibility this year than he had the year before. They have a very active annexation policy in place and they are not giving him the manpower. They don't want to set him up to fail, as far as he is concerned. He knows they are trying to cut back. But if there was any department in all of these departments, this would be the one perhaps they may need to do some additions to.

City Manager Beach said they are at a point in time now where he would like for the Commissioners to have a discussion or give some feedback on this budget as presented. What is not in here they would like to see?

Commissioner Coke said first of all, she appreciates a lot of the new formats that got, it makes life a lot easier to compare apples to apples. A few things she will need before she can actually progress. She would like to know what the total percentage reduction in expenditures is citywide and also what the percentage reduction is broken down by department. She would like that list from Public Works on the number of employees versus responsibilities for the last five or six years. She would like the life expectancy of the actual patrol cars they are looking not to replace. The other concern she has - and part of it she guesses will be covered in the FPR budget - but when she is looking on Page 57 of the City Budget, she is going to have to say an unpopular thing. Six years ago she started talking about it was well and good for government to give a helping hand up to non-profit organizations; however, she felt they should limit the amount of money they give them and limit the number of years to five or ten that they can come to the public trough and ask for money. It was not as big an issue six years ago as it has become this year. They now expend \$50,000 between the Economic Development Council and the Chamber of Commerce. Quite frankly, in her mind it is the Port St. Lucie Chamber of Commerce. And she has not seen the Economic Development Council do one thing for them in all the years

they have been paying this money. If they are looking at \$50,000, that would buy a new police car and assist Public Works in some of their funding. She would much rather, with the budget times being what they are, see that money go to their City departments to do what they need to do for their citizens. She does not think the Economic Development Council or the Chamber of Commerce is going to come and help the Police go on patrol nor help Public Works mow the rights-of-way.

Commissioner Alexander said Mr. Beach had asked them one time about bringing on a person to help promote the downtown. They do have Main Street and a couple of other organizations.

Commissioner Coke said those are no longer in the City's budget, they are in the FPRA's budget.

Commissioner Alexander asked why are these funds not shifted to help them promote Fort Pierce?

Commissioner Coke said she is a full supporter of Main Street Downtown, Main Street Lincoln Park, Downtown Business Association, and Lincoln Park Business Association. She is a full supporter of the Opera Society and the Jazz Society; but she has a great deal of concern that for six years now they have given both of those \$30,000 or \$40,000; and now they have become so dependent on that, there is virtually no fund-raising on their own.

Mr. Ward volunteered her to do a fundraiser that she used to do years ago for the Opera Society and they turned her down. So she has a real hard time now giving them \$20,000 or \$30,000 of public funds, whatever they have requested this year, when they would not get off their butt and do it for themselves. She wasn't even asking them to do the fundraiser themselves, she was volunteering to do it. So how can she in good conscience vote to give them money out of the public funds when they didn't want to do something to help themselves? When they talk about Main Street, she thinks they need to look at that under the FPRA budget, they both serve a very vital purpose. But the Chamber and the EDC, that is out of the City budget, and they just don't have the money this year.

Mayor Benton said the Economic Development Council, when there is a business looking at this area, they are not going to read about it in the paper because a lot of it is done with confidentiality. If the EDC brings a business to St. Lucie County, it benefits Fort Pierce because those employees in a lot of cases can come from Fort Pierce. Torrey Pines, the Treasure Coast Education & Research Park, what they are trying to do there, it takes an organization to run that. He thinks Larry Pelton has come in and moved the EDC to the next stage and has done an exceptional job with his experience. He would hate to miss out on that, knowing what he found out yesterday, which is not public knowledge. What Mr. Pelton needs to do is sit down with each Commissioner and explain what the EDC has brought here and what they have been looking at. There are several big businesses with a lot of jobs that are still looking here, it is just that the market has slowed everywhere.

Commissioner Coke said she would think that would be absolutely wonderful. But when Larry Pelton got hired on, it was a year and a half before he came to see any of them. To date, they see every business brought to St. Lucie County so far has gone to Port St. Lucie.

The first place they bring them is Port St. Lucie. If Port St. Lucie doesn't want them, then they will bring them to Fort Pierce. If somebody could please tell her what purpose this \$35,000 to the Chamber of Commerce, what benefit they get, she would be shocked.

Mayor Benton said the EDC, if one business is brought here, the jobs it creates will far exceed what they have been paying them for many years.

Commissioner Coke said she would agree. But how many years have they been paying that \$15,000 to the EDC?

City Manger Beach said probably 10 years.

Commissioner Coke said \$150,000. Can he tell her how many businesses the EDC brought here?

City Manager Beach said there have been some successes over the years. The Orange Blossom Mall, when it converted from being vacant to the uses it has now, that was the EDC and the County's work. He would like to comment on the \$35,000 that goes to the Chamber of Commerce. That is specifically a contract for the Chamber to operate the Seven Gables House. If they did not have that agreement, then their choices would be to either close the Seven Gables House or to operate it themselves, which would probably be a higher figure than that. But that is the purpose of that contribution. The Mayor is aware they are working with the Chamber of Commerce right now on some other issues. He is expecting a letter from the Chamber for some time regarding the Seven Gables House as well as the property out on Virginia Avenue. They have some active work going on with them on that subject.

Mayor Benton said his comments on the budget, as far as he is concerned, the public through Amendment #1 has tasked them to cut the budget, to cut back on some of the expenditures government has made. Also, with the downturn in the economy and property values, they have tasked staff to do it. He thinks staff has done a good job. The effects of this budget are going to take the next year for them to understand what those cuts are going to be. He thinks they can make adjustments during the year if there is an area that is not getting the attention it deserves. But with the task given to staff, it wasn't an easy task to cut, but also they have to do more. He is not going to tell them how to do their job. He just thinks the effects of this they will be living with. If they have to make adjustments to it through the year and the public is demanding it, that is another story. But right now, he thinks staff has done an excellent job with what they have. If they need police cars in the middle of the year, they deal with it when the time comes. Most of the time during the year they see where the Property Appraiser is usually very conservative, so most of the time they have a few dollars more, not a few dollars less. So he is hoping that is the case, especially this year. Time will tell. Also, maybe things will be cleared up with the FPUA and there could be additional revenue there. No one can tell right now, their crystal ball is cloudy. But he thinks they have done a great job with the task at hand, because it wasn't easy. Also, before they leave here today they have to set the millage rate and the roll back rate. The taxpayers of Fort Pierce will also be receiving a tax cut. They are almost a half a mill under the roll back rate. Usually the roll back rate is behind, not ahead. He thinks the roll back rate is close to 6 mills and they are at 5.49%. What percentage is it that most people can look forward to a tax cut? So they are doing what the public said to do through Amendment #1 and they are cutting their taxes. It won't affect everybody, if their property value has been going up 3% a year and they are way behind what the value is. But for most taxpayers, there is a savings. So they have done what the taxpayers have asked them to do. Let's see where it goes from here.

Commissioner Alexander asked the monies from the taxes that affected the FPRA that is not going to be coming from the City, how are they going to address that to make sure the FPRA don't fail? The \$800,000, that is just the City. It would be a cut by the County too, right?

City Manager Beach said yes. Their revenues dropped by 25% in the FPRA. That will be the subject of quite a bit of discussion at another meeting. They are still preparing a proposed budget for that operation. But it is going to be an impact and the FPRA Board will have to be making choices as it relates to the FPRA budget.

Commissioner Alexander asked so they will have to come back to the Commission?

City Manager Beach said he thinks they can isolate it within the FPRA. From what he has seen, there are solutions and there are certainly opportunities. This year is actually going to be better than next year. Next year is going to be a more difficult year than this year.

Commissioner Alexander said he just spoke on it because the figures come from this budget.

Commissioner Sessions asked what was Port St. Lucie's shortfall?

Mr. Recor said 19% in Port St. Lucie and 15% for the County.

Commissioner Sessions said Fort Pierce is at 6%. So they are very fortunate and very blessed to be in the predicament they are in. Back in December they did not think they would be financially in the state they are in. He does not think they all realize how blessed they are. It is not as bad as they think it is, it is a lot better than he thought it would be.

Mr. Recor said they braced themselves for 15%.

Commissioner Sessions said so he thinks they are doing a tremendous job. He is proud to say the Police Chief has come back with something that is more realistic this time in terms of cutbacks. He thinks they are going to be okay and going to come out on top. When they look at what is going on around them, they have a lot to be thankful for. Keep doing what they are doing. He does not think realistically they are going to be able to get by for a whole year without any capital expenditures, but they pay Mr. Beach and Mr. Recor the big dollars to figure that out. He thinks they are doing pretty good. He is proud to be a member of this City. In light of these brutal times they are facing, he thinks they all have a lot to be proud of.

City Manager Beach said the Mayor had indicated the need to establish the millage rate.

City Clerk Steele said yes. The Finance Director has given her the information to publicly announce. The proposed millage rate is 5.4674. The roll back rate is 5.9740. September 8th at 5:05 p.m. will be the first public hearing on the tentative budget and the proposed millage. September 15th, at their regular Commission meeting, will be the second public hearing on the budget and the millage rate, and the first reading of the budget ordinances. September 22nd at 5:05 p.m. will be the second reading of the budget ordinances.

Mayor Benton said that is a reduction for most taxpayers in the City of Fort Pierce, 8.48% on the City of Fort Pierce part of their tax bill. It will probably be better for folks that don't have a Homestead Exemption because it doesn't affect them.

City Manager Beach said they would like to do their next budget workshop within the next two or three weeks, if everybody is agreeable to that. His office will start working on that. Commissioner Becht will be back then. It will be their intent at that meeting to finalize the General Fund budget and to go into great detail in all of the Enterprise Funds - Marina, Golf Course, Solid Waste, Sunrise Theatre, and the Fort Pierce Redevelopment Agency.

Commissioner Alexander asked how will that roll back affect the people being annexed into the City?

Ms. Johnson said the roll back, the percentage is 8.48%.

Mayor Benton said 8.48%. That is a savings for the existing taxpayers from last year. If they have a Homestead Exemption, they could be playing catchup for ten years. His taxes aren't going down. But if they don't have a Homestead Exemption, they will notice it, because they are paying almost full value each year.

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