

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 TUESDAY, AUGUST 12, 2008.

Those present were: Mayor Benton; Commissioners Rufus Alexander and Reginald Sessions. Those absent: Commissioners Edward Becht and Christine Coke. (Commissioner Coke arrived at 9:45 a.m. Commissioner Sessions left at 9:45 a.m. and returned at 11:30 a.m.)

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City Manager Beach said he welcomes everybody to their fourth Budget Workshop. Two Commissioners are running late. In fact, he isn't sure Commissioner Becht is going to make it at all. They have an Agenda in front of them that lays out the schedule of the various budget discussions they are going to have today. The first item is a recap of the General Fund Budget (Draft No. 3). From their last workshop there have been very few changes and he is going to ask Mr. Recor to describe those. If they will recall, the City Commission did not give specific directions as regards making changes, so it is pretty much the same document that was presented to them previously. They will take a few minutes with that. Then they are going to go into the various Enterprise Funds. Finally, the FPRA proposed budget that all of them have a very sharp interest in. He wanted to point out that they have another Budget Workshop scheduled for August 28th. At that time is when some real decisions need to be made in regards to any proposed changes or alterations in all of the financial documents they have in front of them. They also have three Public Hearings scheduled in September. His point is that they still have time and they still have flexibility to deal with alterations in the budget if they feel it is appropriate or necessary.

Mayor Benton said after today's workshop, unless Commissioners have a reason for another workshop, they can finalize things today. They have been here four or five times.

City Manager Beach said that is a Commission decision; and if that is their direction, then that is certainly what will occur.

Mayor Benton said they will see how the Commission feels at the end of the day. But he hasn't seen any big changes from what they have talked about; and if they have incorporated everything...

City Manager Beach said Mr. Recor will guide them through that General Fund discussion.

Mr. David Recor, Deputy City Manager, said as Mr. Beach indicated, the changes to the proposed General Fund Budget for FY-09, since their last review of Draft No. 2, are very minimal. In fact the only change to the budget document as reflected in Draft No. 3 is a \$30,000 expenditure included in the Public Works Capital Outlay Budget. Those monies will likely be moved into Operating, but that is an accounting issue. But the \$30,000 on the revenue side is coming from the Solid Waste Fund to handle trash pickup and removal. That is the only change. There haven't been any changes on Personnel. They will note the first handout they have, the title is Departmental Expenditure Summary. It lists the Personnel Services, Operating Expenses, and Capital Outlay for all of the General Fund Departments, including their Enterprise Funds as well. In the very far righthand column they will note the difference between FY-08 and what is proposed for FY-09. The red represents reductions. And for the most part, all of their General Fund Departments have reduced their budgets for FY-09. The bottom line for the City's General Fund Budget results in just over a 2% reduction from FY-08. So if they have any questions about the General Fund or would like to provide further direction, staff is open to that feedback. But they think they have a good foundation here in which to start the next fiscal year.

Mayor Benton said there is one item. He asked Ms. Satterlee several months ago and she had looked into what the Humane Society charges the City and St. Lucie County versus the Humane Societies throughout the Treasure Coast. It appears Fort Pierce pays considerably more per animal. That \$277,000 they have budgeted for the Humane Society at a time when they are looking to cut. He is just wondering if maybe they can get some recommendations from Staff in the near future on what the other communities are doing. Should that number be lower? He believes they are looking at \$75.00 for Vero Beach and

Stuart. Fort Pierce is paying twice as much almost. At a time when they are looking at cutbacks, it might be appropriate to question the Humane Society, why so much more?

Mr. Recor said if they haven't already done so, staff will follow up with that and provide additional information to the Commission. Are there any other thoughts on the General Fund?

Mr. Recor said they can move to the next Agenda item, which is the discussion of their CDBG and SHIP Entitlement Programs.

Ms. Dorina Jenkins, Assistant Director of Community Services, said before them is the proposed budget for Community Services for the 2008 fiscal year. The City Commission approved the budget at their July 21st Commission meeting. If they have any questions, she is here to answer.

Mr. Recor asked could Ms. Jenkins summarize for them how the Entitlement Funds have been appropriated and the categories of expenditure?

Ms. Jenkins said as far as CDBG, they propose to receive \$684,360.00. That is their federal funding. In that particular program, they provide the rehabilitation assistance for those who reside in the City that are owner occupants. That particular budget also covers the salaries for five employees - the Assistant Director - herself; two Program Specialists; a Rehabilitation Specialist; and an Administrative Assistant. Through their SHIP funding, they propose to receive \$373,338.00. Out of that budget, they also provide the same housing services. And in that program they just charge theirs to the administrative cost of the SHIP Program.

Mr. Recor asked can Ms. Jenkins describe for the Commissioners the major areas of expenditure and how they plan to utilize the CDBG revenue? For example, the amount they have allocated for rehabilitation and what their focus will be for the next fiscal year in use of these funds.

Ms. Jenkins said for the upcoming fiscal year they have allocated \$175,000 for housing rehabilitation; \$10,000 for a senior citizen handicap program; \$30,000 for emergency repairs; and a code enforcement line item in which staff is paid to work along with the Code Enforcement Department as a liaison for \$70,000. The rehabilitation administration at \$130,000, that is where the individual is paid to provide the intake for all of their programs and a Rehabilitation Specialist who conducts the day to day functions of their rehabilitation program. They have \$6,000 allocated for lead based paint screening and \$133,000 for the Grant Administration. They also have allocated funds for planning and capacity building, \$5,000. That is funding that can be utilized if they were to need a consultant to come in to assist with any type of services regarding the plan. And they have \$100,910 allocated for the Public Service projects.

Mr. Recor asked all of their personnel is funded by grant through the CDBG funds. Roughly their administration costs are around 30% and that is consistent with...

Ms. Jenkins said 20%. Their Department receives no General Funds. They are all grant funded.

Commissioner Alexander said he knows she has a task, she has a heavy job to do with rehabilitating some of these houses in Fort Pierce. He just heard her say they don't receive any General Funds. Would that be something that would help her? Would the FPRA, trying to take care of the blight and slum areas? She doesn't receive no money outside her CDBG fund?

Ms. Jenkins said no. FPRA this fiscal year was providing funding to assist paying for one Staff member. Of course, they can always use additional funds, but what they do is just try to work within their budget.

Commissioner Alexander said he is just trying to keep everyone from going in all different directions, because they have the Code Enforcement, they have the FPRA, and Community Services, and everybody should focus on blight and slum. He doesn't know if that is her department, blight and slum. She just does what she has to do, and the blight and slum falls under someone else. He just has a concern, not any reflection on her, but when people come and tell him there is no money left, if she has done what she is supposed to do and her money runs out, her job is not over with.

Ms. Jenkins said no, they still have to monitor the projects that are in process.

Commissioner Alexander said he just has a concern with the Lincoln Park area still being a blight and slum. He guesses it is going to continue that way unless they make some changes. He just wants to know where can they make those changes to help her do what she has to do? There are no answers for that, is there?

City Manager Beach said as he understands the goals and objectives of the Community Development Block Grant Program, those goals and objectives are very much in line with the Fort Pierce Redevelopment Agency's goals and objectives. He thinks the Fort Pierce Redevelopment Agency expands that role considerably. A lot of the things that the FPRA funds are actually CDBG eligible. FPRA is simply a separate source of funds and requires a separate accounting and a separate implementation.

Ms. Jenkins said yes. FPRA funding is allocated more toward the individual grants. Where they do work together is the Weatherization Program. Mr. Ward provides the funds and her Staff assists with the intake of applications. Every Department on the 2nd Floor works hand-in-hand to try to address the blight and slum area. She thinks they have a good working relationship.

Commissioner Alexander said he is not by no means saying they are not doing what they are supposed to do. Just the opposite. He is saying she is doing exactly what she is supposed to do. But when he goes out, he can pretty much count every house they have rehabbed. If he can count it, that means it is not 100 surely. But he won't get into that. He wait until they get to the FPRA because that is where the really true support of blight and slum should be.

Ms. Jenkins said they do expend all of their funds annually.

Mr. Recor said one of the reasons he asked Ms. Jenkins to discuss the allocation of the funds is because that allocation is based on a strategy, a strategy that is included in her plan that is approved by the Communitywide Council and the City Commission. For example, if they look at the detail of how the CDBG monies are planned to be expended, they will see that the focus is on rehabilitation. There is also a category for new construction, the various categories of expenditure. They believe that a more effective strategy - as demonstrated by prioritizing The Oaks at Moore's Creek Subdivision - is to concentrate in an area; but rather than dot the area with rehabilitated homes, to focus their energies in building neighborhoods, i.e. The Oaks at Moore's Creek. They can see how the CDBG monies are planned for expenditure, but it is based on a strategy that has been adopted by their Communitywide Council. Is he explaining that accurately?

Ms. Jenkins said yes.

Commissioner Sessions asked with regards to the allocation they receive - and he realizes they are in a crunch right now in terms of federal cutbacks - are there any variables they

have some control over, or are there things they need to actually address as a city in order to get a greater allocation?

Ms. Jenkins said it is on a formula basis. As she has explained in the past, actually the City of Fort Pierce does not meet the threshold to receive entitlement funds, so they receive like a special entitlement because of the blight and slum. They would have to have a population of 50,000 to actually be an approved entitlement. So they actually receive a special allocation. At this point she doesn't think there is anything they can do to request additional funding. But staff does continue to look for additional funding that they can add to the pot of money they currently have in order to serve more applicants.

Commissioner Sessions said that brings an interesting point, because she says the threshold amount is 50,000. He knows it is time now for the census to come into play. That is an issue that staff needs to address in order to make sure they get each and every individual counted, because they are very close to that threshold amount. If they come to that amount or above, from what he is hearing, that will qualify them for greater allocations. So they want to make sure they have their foot in the door and play an active role in the upcoming census count, which is about to start he believes in October.

Mr. Recor said that is a very good point. As a matter of fact, last week he met with Charlie Frank Matthews and a representative of the U.S. Census Bureau, and agreed for this organization to participate as a partner in the U.S. Census in accepting literature and promoting participation from the community. There will be more to follow on that. So that is actually a very good point.

Commissioner Sessions said when he looks at the Personnel Services and the Operating Expenses, these are expenses that are pretty much in place in order to operate and to facilitate the CDBG funds. But those figures appear to be almost equal when they look at the actual tangible aspect of what the CDBG funds are supposed to be for - the grants and the aids and the actual capital outlay. Is Ms. Jenkins satisfied or comfortable, or is there anything she believes the Commission could do in order to become more productive in getting a product as opposed to putting more money into personnel services? Is she satisfied with what is going on? Looking at those figures, is there anything they can do?

Ms. Jenkins said of course she is not satisfied, but she just tries to work within their budget means. If they can get additional funding from somewhere to provide additional staff where they can provide additional services to the community, of course they are definitely open to that. But they just always have to keep in mind that once they increase the level services they are providing, then staff will be needed. No, she is not satisfied; but she works within the means they have.

Commissioner Sessions asked is there anything she can do in terms of cutting back any with regards to the Personnel Services and Operating Expenses?

Ms. Jenkins said no.

Commissioner Sessions asked they are down to a bare minimum?

Ms. Jenkins said yes.

Commissioner Sessions said this City has a substantial amount of rental properties. In light of that, he would hope that they are trying to advocate or at least try to encourage individuals to have home ownership. What item addresses that particular issue?

Ms. Jenkins said the home ownership education program where they provide monthly education components to those who are in the community to try to get them interested in home ownership.

Commissioner Sessions asked are there any funds out there for individuals who are trying to procure home ownerships?

Ms. Jenkins said yes. Their SHIP Program and the Hurricane Housing Recovery funds assist with downpayment assistance. Also, they have revised their strategy for their Reach Program, which is strategy provided that they will be utilizing funds for The Oaks at Moore's Creek. It is for essential service personnel. They will be providing a 100% financing.

Commissioner Sessions asked that pretty much comes from the SHIP allocation?

Ms. Jenkins said yes.

Mayor Benton said they have been in Washington because of the reduction of the CDBG Funds over the last several years of at least 15%. The United States Association of Mayors has this 10-point program which they have hit every candidate many times; and the third issue is, they are looking for the CDBG formula funding to be doubled to \$8 billion. There are a lot of projects that haven't been finished. Hopefully after November with the election, CDBG will move back to the front burner and they will receive the funding they really need to continue the work they have been doing. It has been something that the Mayors in this Country have been very pushy on and really in their face, and they don't let this die. Next year could be a good year.

City Manager Beach said the next thing on their Agenda is the Marina Budget. He would like for Dean Kubitschek to address the Commission on that. They also have the design consultant for the expansion of the Marina here this morning.

Mr. Dean Kubitschek, City Marina Manager, said next to him is Dick Czapinski from Tetra Tech. He is going to do is let him start off the Marina conversation so he can head back down to Stuart.

**Mr. Richard E. Czapinski**, Tetra Tech EC, Inc., said in front of them they should have the latest configuration (Bathymetric Survey) of the Marina. The main change on that, since their previous discussions at other meetings, primarily occurs to the north of Moore's Creek. Previously they showed a wave attenuator coming off the park area to protect the northern part of the Marina and the entrance area into the Marina. A physical model study showed there was some wave energy penetration in there. They looked at other various arrangements with numerical modeling and came up with the concept they see in the plan. That shows two islands to the north of the entrance channel and elimination of the wave attenuator. That has certain advantages. It reduces the wave energy a lot more than the wave attenuator. It avoids any problems of public access where the wave attenuator did come close to the park shore. There was also a problem with that wave attenuator since it needed pile supports to operate properly, and that area was in the vicinity of the sewage and water pipelines that are buried underneath the area, so the avoidance of pile foundations eliminates that interference with the sewer system. Another advantage of that aspect the way they have it is that there is a lot more protection for wave energy all along the entire waterfront of this City to go from the bridge all the way down even part of the way south of the Marina now with the new configuration that didn't exist with the previous configurations. So he thinks basically those changes are positive. Those are the ones that have recently been submitted in a revised application in response to questions that went to FDEP last Wednesday. They believe that should answer a lot of technical questions that FEMA had in their independent review of their work.

City Manager Beach asked can Mr. Czapinski tell them where they are in the permitting process? At what point in time does he anticipate they will be able to move forward with some type of construction activity?

Mr. Czapinski said they submitted the second response to questions last Wednesday. FDEP has by statutory limit 30 days to reply to those. They believe this last round will have

answered most of the questions and figure there will be another round of questions come in just as clarifications or modifications, but no major new questions. So that would take them through the beginning of September. They could respond quickly on that, get something back by October, and then hopefully the FDEP process would be pretty much set. The Corps of Engineers has been active in this compared to other permit applications. Usually they don't respond with their own set of questions. But they did get an independent set and are about to submit a response to those within a very few days. He thinks that is speeding up the process, because usually FDEP issues a permit and then the Corps will take another two months to review and look at the FDEP work and then come back. So this hopefully should speed up the final end where they get the permit.

City Manager Beach said he described the process very well. What he is trying to understand is when they might anticipate work beginning at the Marina? Based on his understanding of what this takes without telling them what that is, what can they anticipate?

Mr. Czapinski said he thinks basically they are looking at having permits in hand by the end of the year, and then contracting and be able to go to construction after that.

City Manager Beach said that is what he was looking for. What is the total linear feet they are building there?

Mr. Kubitschek asked of docks? What he can do is equate it to slips. They are looking at putting in another 150 slips, so they will more than double the size of the facility.

City Manager Beach asked is it the same amount that was blown away essentially?

Mr. Kubitschek said it is going to be slightly larger. There are a couple of additional slips added to this new layout.

City Manager Beach asked it is going to be in the vicinity of 10,000 to 11,000 linear feet?

Mr. Kubitschek said that is correct.

Commissioner Alexander asked concerning the other marina (Fisherman's Wharf) the City owns, is any of Mr. Kubitschek's budget for 2009 for that other marina?

Mr. Kubitschek said no. That facility is controlled by the Fort Pierce Redevelopment Agency and it is in their budget.

Commissioner Alexander asked but it is under his leadership, right?

Mr. Kubitschek said that is correct, he does oversee it. They absorb that facility manpower-wise when they do work over there or something like that. They try to absorb as much as they can into their own manpower. They do a lot of community service workers over there, as well as the City Marina facility, to kind of reduce the labor involved.

Commissioner Alexander asked so he sent a bill to FPRA?

Mr. Kubitschek said no. The majority of the work that is taking place at this time is by community service workers. Essentially these are people working off their hours throughout the community. So a lot of the maintenance that is taking place over there is being done through community service workers. Other than that, when they did hire a temporary service, that bill did go to the FPRA, that is correct.

City Manager Beach asked could Mr. Kubitschek walk everybody through the Marina budget?

Mr. Kubitschek said this past year with the Marina they have really accomplished a lot. He thinks what they have achieved is the Marina is considerably almost new, it is in one of the best conditions it has been ever since he has been there. They placed in a new fuel system this year, there are two fueling locations. They have dredged out the internal basin and placed in a new seawall. The majority of this past year they have essentially been under construction in one area or the other. Their fuel docks have been down probably several months, they had to work around the dredging. So all in all he thinks they have been able to work through the construction and have a very successful year. It looks like last year's numbers are in line with what was projected. In the marine industry probably one of the biggest impacts they are facing is obviously the fuel pricing. He has seen a decrease in transient dockage and is seeing less reservations for the winter at this time. He thinks with the fuel pricing coming down, and hopefully it will continue to do so, it might alter everybody's thoughts, where they were going to stay up north this year they might be able to head south again this year. It is wait and see, it is something they really don't have control over is the fuel. Basically the boats visiting the facility are slightly down; but he is seeing an increase in the nights of stay, so people are actually staying a little bit longer, which is a good sign. They have also placed in the new plaza in the facility this past year which has been used by a lot of not-for-profit organizations, he thinks that has been a big asset. Other than the major project with rebuilding the breakwater in the Marina itself, the only thing they are looking to do this year is really put a new pump-out system in, which the Commission approved to go for a grant for. Other than that, the capital expenditures are really to a minimum, other than the actual building outside of the Marina facility. His staffing he has tried to keep down to a minimum. He has actually five City employees including himself, then he runs three through a temp agency. With that they do both marina facilities. He thinks they have done everything they can do staffing-wise. Events have been updated on their website, so if they are looking at what is going to happen next year down at the Marina, it is on a website which is [fortpiercecitiymarina.com](http://fortpiercecitiymarina.com).

(Commissioner Coke arrived at the meeting at 9:45 a.m. Commissioner Sessions left the meeting at 9:45 a.m.)

Mayor Benton asked what has the average occupancy been this year?

Mr. Kubitschek said this summer they are running about 72% or 73%, which is basically every summer. In the past they have chosen to leave a lot of slips open to handle the transient dockage coming through in the winter months. They are taking a different approach. Back in April they determined that they want to take more long-term dockage, which is what they are doing at this time. So what they are going to do is bring up their annual occupancy to a higher rate and leave it up there, because it will offset the transient dockage numbers that will probably decrease a little bit due to the fuel.

Mayor Benton asked does he think they will see more livaboards in the future with the expansion of the Marina?

Mr. Kubitschek said if they expand the Marina, the livaboards are going to be controlled through their lease through the State, so they are not going to be able to have annual livaboards. The State is going to probably put something in the lease where they can stay maybe six or nine months out of the year. Yes, they will have livaboards if they build this facility; but they will be more transient, not permanent.

City Manager Beach said in his review of the monthly financial report, it appears that the Marina still has a positive cash flow as it relates to the revenue that is generated and the expenses that are related to the operations. Is that accurate?

Mr. Kubitschek said that is accurate. From all the numbers he is seeing, they are still holding their own.

City Manager Beach asked does anybody have anything they would like to talk about as it relates to the Marina? He thinks the most significant issue is the expansion of the Marina. That is being funded through the Federal Emergency Management Agency as well as insurance proceeds they received from the Marina that blew away. So he thinks undoubtedly going to be some issues to work through, but that project is still underway. It is an important development asset for the waterfront. He is looking forward to seeing something happen there.

City Manager Beach said next is the Solid Waste Department.

Mr. Harold Hopkins, Director of Solid Waste, said in Solid Waste they are basically dependent on fuel prices - that is kind of what drives them and is what makes them either make money or not make money. Last year they budgeted \$290,000 for diesel fuel for this year, but they will spend about \$340,000 before the year is out, so they budgeted \$390,000 for next year. But that is just a guessing game, so he doesn't really know where they are. They have had some minor changes within the Department. The landfill started closing early on Saturdays, so they kind of reorganized. Now they collect residential waste Monday through Friday. They run two commercial trucks on Saturday. Their shop is closed on Saturday, but they have a standby mechanic who can accommodate those guys. Basically it is just business as usual - the public puts it out and Solid Waste picks it up, that is what they do.

City Manager Beach asked does he have any equipment purchases scheduled for next year?

Mr. Hopkins said they plan to purchase one automated side loader truck, that is \$218,000 he believes. They are having difficulty with the new California emission standards. Of course, California drives everything on emissions; and the next thing they know, all the truck manufacturers accommodate California. The new regulations are causing the trucks to be inefficient and also troublesome. So next year they may look at taking these monies and refurbish older trucks rather than buying a new truck. It is just difficult to buy a truck and then have to chase it all day long once they get it. Outside of that one automated side loader, they also budgeted one more grapple truck. Other than that they are home free, other than maybe for a pick-up truck.

City Manager Beach asked would he describe the number of residential customers and the number of commercial customers?

Mr. Hopkins said commercial customers is like 673 he believes. Residential that they collect with the automated side loader is 12,655. That gives them a little over 1,000 units per day per truck. Then they have what they call Mom and Pop commercials, which is curbside collections, they have 340 of those he believes.

City Manager Beach said he brings that up because the Commission had previously asked staff to evaluate the impact of going to once a week collection in their residential pick-up service. They have started that process and it should be back to the Commission within 30 days as to the impact of it. He was surprised at the preliminary figures that were developed. The automatic assumption is, if they cut their activity in half, they ought to be able to cut their expenses along with it. What they have discovered is, that although the residential component is a large source of the revenue, it is not half of the Solid Waste operation. The preliminary figures - the reason he hasn't presented those to them is because they are still verifying them - the savings would be less than \$2.00 a month.

Mr. Hopkins said about \$1.20 per month per customer.

City Manager Beach said \$1.20 per customer doesn't jibe at all with what they would think would happen if they cut their service in half. So they are continuing to work on that and will be bringing it back to the Commission for action.

Commissioner Coke said months ago they had talked about the actual cost of garbage pick-up on holidays. She knows when they first looked at the figures, they looked at figures pertaining to the overtime expense for employees. When they looked at that, did they also take into account the gas and the wear and tear and all those other things that go along with that, or just the overtime?

Mr. Hopkins said the savings for not doing the holidays is like \$3,800.

Commissioner Coke said she thinks it was like \$38,000.

Mr. Hopkins said \$3,800 times eight was the number. It was about \$40,000 a year he believes was the actual number if they did not run those eight holidays.

Commissioner Coke asked does that include personnel only, or is it personnel plus fuel?

Mr. Hopkins said that was personnel plus fuel. He believes that is correct. He will have to go back and double check those numbers.

City Manager Beach said for the Commission's information, Solid Waste funds a number of activities. They heard Mr. Recor talk earlier about money that is shifted from Solid Waste to deal with their street level pickup. All of these containers they see throughout Downtown and on Avenue D that are serviced by hand, those are funded by the Solid Waste Department. In addition to that, they will see a non-operating expense of a transfer of \$800,000 that goes toward their General Fund operation. This is a pretty critical component of Fort Pierce's operation and Mr. Hopkins does an excellent job of it.

Mayor Benton asked the cans on the Jetty, are those put out by Solid Waste?

Mr. Hopkins said no, Public Works does those; but Solid Waste is involved somewhat in the funding of some of those activities.

Mayor Benton said somehow he thinks they have to do something because those are rusting and the anchors are rusting.

Mr. Hopkins said the answer to Commissioner Coke's question, he thinks that figure was for manpower only, he doesn't believe fuel was in that number.

Commissioner Coke said right, she doesn't think they considered fuel. Her concern and the reason she brings it up is, she definitely thinks every resident in the City would miss having garbage collection twice a week. She doesn't think however it would have a tremendous effect on holiday pickup; because when she goes out on holidays, nobody expects Solid Waste to be there picking it up. So she thinks they could save the \$40,000 in personnel plus whatever the fuel is for the eight holiday pickups they have during the course of the year and not really have anybody call and complain.

City Manager Beach said next is Greg Martzolf with the Golf Course.

Mr. Gregory Martzolf, Director of Indian Hills Golf Course, said he has had the opportunity since April to oversee the golf course. He is proud to report at this particular time that they are exceeding expectations for the current budget year. At the current time they are approximately 2,000 rounds ahead of last year and approximately \$17,000 ahead of revenue projections. So weather permitting, in the next six or seven weeks they will bring it on home and have a successful year. Some of the improvements they witnessed in the current year was some golf course programs they enhanced. They did some repair work on the golf course. If they drive up and down U.S. #1, they will see that the netting on the driving range has been repaired. All this was done with operational funds. The maintenance building, which is currently under construction, they are being told by their contractors it is within a 45-day window for completion. They have acquired some new

equipment for their Maintenance Department to better maintain the golf course and enhance the turf conditions. He doesn't know if any of them listen to 101.7 or 103.7, but a very successful radio marketing plan has been put in place that has attracted new business. He thinks the thing they are most proud of is the development of some programs this year, especially the youth programs - the YES Program and the PAL Program they initiated. This is the first year for the Junior Golf Club of the Treasure Coast. They are assisting Central High School and Westwood High School with their golf teams. They are involved with some PGA Programs. Play Golf America Patriot Day coming up. Beginning August 29th, for three days they will ask players to contribute to Patriot Day which goes to a nationwide fund that assists children of fallen heroes in Iraq and Afghanistan. They have assisted the Treasure Coast Food Bank and recently hosted a Director's Marathon where they raised over \$1,000 for Main Street Fort Pierce. So they are very proud of the programs they have developed and will continue doing that. For the upcoming year they are going to hopefully add to their maintenance equipment list with some much needed equipment to continue the growth and the conditions of the Golf Course. They will finalize the maintenance facility and move in, hopefully without any glitches. They are doing some bridge upgrades, not only for aesthetics but for safety considerations on the Golf Course. They have four bridges that need to be maintained and that is a significant undertaking. In cooperation with Mr. Robert Hood and his Department of Public Works, they have a new restroom facility at the driving range, and they will be the recipient of the beach shelters that will create on-course shelters, a safety issue for the Golf Course. These are some things they have to look forward to enhance the Golf Course. If they will look at the budget, he will just point out some significant differences. Everything else is pretty much consistent with past operations, but some of the significant differences they will see are mostly on the expense side. It is hard to fight rising costs, especially with oil and petroleum products. Their fertilizer expense line item has significantly risen. That is in response to proposals they have already received from their vendors on maintaining the Golf Course. Those prices have gone up significantly, as have gas and oil. Of course, the depreciation line item has been adjusted to more accurately reflect their business and that is where they will see the significant differences. But they will also see an increase in their revenue projections, because as they develop more business and develop more programs, they anticipate more rounds of golf. Knowing what he knows about the business to this point, he feels like they have done some great detail with the upcoming budget preparation and would be happy to answer any questions they have.

City Manager Beach said Mr. Martzolf belongs to an association where all of the professional golfers coordinate activities and information. His understanding is that at most of the golf courses, play is down. But Indian Hill's is up. Can he give a reason for that, other than simply good management?

Mr. Martzolf said he would like to say good management. But he thinks Mr. Beach is referring to a recent article that was in the newspaper where some research was done on local golf courses, mostly publicly accessible facilities. Of course, when they are dealing with disposable income in a tough economy, those kinds of activities suffer. So most of the golf courses that were queried responded that their rounds were down or their revenues were down or both. Fortunately for Indian Hills, their rounds are up and their revenues are up in contrast to previous years and in consideration of their current budget. He would attribute that to a couple of things. Number one, he thinks the condition of the golf course is improving; and as they improve and grow, they attract more people. He thinks they have spent more money in advertising and gone through different forms of promotions that haven't been done in the past that have attracted players from different markets that they haven't reached before. Mostly they were just in the newspaper before; but now they are on the radio and they are catching a different segment and they are seeing different people. He thinks whenever they develop programs, those programs - whether for children, juniors, or adults - bring more people to the facility. And where people learn to play is where they end up playing. These things that are increasing their play aren't big hits, they are little hits; but when they add them all up together, it makes a significant difference. Lastly, he thinks the way the golf course was constructed helps them. Not to get too technical, but with their

soil conditions being very sandy, they absorb an awful lot of water and they do it better than most area golf courses. So when they get in situations where they get the 3:00 p.m. traditional afternoon thunder shower and golf courses get soaked, they get a lot of twilight play or play the next day, because they don't have to put restrictions on the Golf Course as far as golf cart use and things like that because of wet conditions. So that affects their play also. All these things combined have created for a very successful run for them recently. Commissioner Coke said she knows Mr. Martzolf is relatively new to this, so she doesn't want to put his feet to the fire. But the Commission as a group during their Capital Improvement Workshop, and also she and Mr. Martzolf spoke briefly, about how tremendously a new clubhouse facility would assist the growth of their golf course in helping it turn a better profit. Of course they are all aware of the budget problems they are having now. Do they have a figure on the Clubhouse that was proposed and the status of that?

Mr. Martzolf said a very brief update and he will defer it to Mr. Beach to fill in the details. Obviously the maintenance building is coming first and that is being completed. The individual who completed the design on that building has also been sought after for the design of the clubhouse. As of yesterday, they are in receipt of a contractual obligation from this architect that they will bring to the Commission on an upcoming Agenda to present for the Clubhouse. Right now what they are doing as an operation is they are collecting as much information as they can. The information they are collecting is not so much about how much business can they do with a new clubhouse, but how much business are they losing right now from people who are seeking a clubhouse facility that they are not able to accommodate. So he is actually keeping a log of people who are calling up saying they would like to hold a wedding or would like to hold a reception or would like to hold an outing; and they can easily take those numbers and equate them to dollars to show what they are losing in addition to what they can anticipate.

Commissioner Coke said she knows they have had discussions before and they have anticipated to build a phenomenal golf course facility. Now with all the things they are facing, are they too far down the road to consider building not so much of a Taj Mahal clubhouse, and just get something up for the interim time?

City Manager Beach said let him describe where they are in addition to what Mr. Martzolf was indicating. He wants to give a little background to help all of them to understand how they got to where they are. They hired an architectural firm two or three years ago to design both the clubhouse and the maintenance building. That firm completed the design of the maintenance building and probably 80% or 90% of the design of the clubhouse. Then the firm broke up, collapsed. Staff has been struggling since then to bring on board the actual architect who worked for the original firm to complete the design of the clubhouse.

Commissioner Coke said she guesses they are too far down the road to change their minds.

City Manager Beach said he wouldn't say that, they can always back away. But he is going to encourage them to keep their eye on the facility that has been designed; because the point behind it is what Mr. Martzolf was describing, it really brings the level of activity at the Golf Course to another level. Before Mary Beth Birsky left, she did a rather extensive pro forma on the income that would be generated by the construction of the Courthouse. He can tell them, it is going to be tight. But the thinking is that the income generated by the clubhouse services the debt on the money they borrow to build it. That is the theory. Whether that works out or not remains to be seen. They will have information in front of them probably over the next 60 days that will let them have those discussions and make those decisions.

Commissioner Coke said she is going to voice her concern now so nobody is surprised 60 days from now. She agrees that the facility as they originally looked at it was a great looking facility and they knew what it was going to provide. But in the tough economic

times they have, she has concerns about competing more and more with private enterprises already established, or contributing to their failure because they are taking away business. She does understand the need for a Clubhouse at the Golf Course. Her thought would be their number one concern should be to have a place where golfers can go and have breakfast or lunch or something to eat when they get done playing. She is wondering if they couldn't look to the future design with an eye to perhaps phase it in as they have done with so many other projects. Meet the immediate need now and be less concerned with the bigger fancier clubhouse.

Mr. Martzolf said he has had the opportunity to look at the initial drawings or renderings of the clubhouse. He has spent time with the architect and they have completely gone through and made markings all over it to make it functional. That is his first concern from a golf operation standpoint, is to make it functional for a golf facility. She mentioned the term Taj Mahal. It does look nice and they want it to look nice; but in reality it is a functional clubhouse that fits their needs for the majority of their business, which is the golfing public. If they were going to create a golf shop where they can sell merchandise and check in golfers and create a facility where they can store their golf carts and go to more environmentally-friendly electric golf carts as opposed to gas golf carts, and then create a kitchen area where they can service their customers and host golf outings, then that room is big enough to where now they can also expand their business and go to weddings and receptions and civic functions and gatherings and things like that. So they are not really creating a clubhouse that is extended beyond what they need. It is just a matter of creating a functional clubhouse that services their golfing needs, but can also be used to create additional revenues if needed and to create additional services if needed, and it serves that purpose.

City Manager Beach said again, he thinks that is one of the challenges that all of them will be faced with when it comes time to make this decision, as to how it is going to impact the community and so on.

Commissioner Coke said it will be helpful when they go to make those decisions if they had projected revenues from golf course events and golf course day to day, and projected revenues from catering events that they are talking about. Because truly as tough as the economy is, she has a hard time building a facility to compete with the established places. Where she grew up if they wanted to book a place for a wedding, they better give two or three years in advance because every hall was booked. Unfortunately for the restaurant people here, that is not the case. So she doesn't want to be taking, even if it is five or six weddings, away from a private enterprise, which would then put them out of business. And even though it would service their debt service, she would like to see them build something that could service the debt service from golf related events.

Mr. Martzolf said he thinks Mr. Beach has accurately relayed the fact that they look at this clubhouse as being able to service the debt.

City Manager Beach said the next budget item to be discussed on the Agenda is the Sunrise Theatre.

Mr. John Wilkes, Executive Director of the Sunrise Theatre, said regarding the Sunrise Theatre, he will talk a little bit about 2007-2008. He truly believes that the Sunrise Theatre has enjoyed some positive results, even though the reparations and refinements of the operation still continues. There have been some very positive signs that the Sunrise Theatre is turning around in terms of the breadth, the scope, community participation, and professional profile of the business. That has increased in his opinion and he thinks in the opinion of a lot of folks in the community. That has brought the Sunrise Theatre more into a positive light. With the continued refinement of the operation, the indication for the upcoming year or season per se has been extremely positive. He would like to entertain any questions they might have about the operation or this budget.

Mayor Benton said ticket sales, he hears they are doing very well.

Mr. Wilkes said that is why he talks about positive signs. Their membership continues to grow. Last year their first day of sales for their members was \$9,000 and this year it was \$89,000. That was a great indication, especially in the economy they are in.

Mr. Recor said he would like to point out - and for the most part, consider this with all of their enterprise budgets - this is obviously their first look at these funds, so there may very well be some changes that won't necessarily affect the balanced bottom line, however there will be appropriation shifts likely over the next 30 days prior to final consideration of the financial operating plan.

Commissioner Coke said she assumes they will be getting notification of those changes.

Mr. Recor said they actually have tentatively identified August 28th as a potential last budget workshop before they enter the public hearing phase. There has been some discussion as far as the General Fund goes at least, that they seem to be on track there, no more changes. But absolutely, they can bring these back.

Commissioner Coke said she noticed he has been giving them a summary sheet of the change between this proposal and the next one. She assumes they will get the same summary sheet?

Mr. Recor said yes, absolutely. Then what they will do once they enter the Public Hearing phase, they will combine General Fund, Enterprise Funds, FPRA, and Sunrise Theatre into the City's FY 2009 financial operating plan. That is where they will unveil the new format for next year's budget. They didn't want to confuse the discussion by changing the format of the presentation of the information.

Mayor Benton asked what is the electric bill for the Sunrise Theatre per month?

Mr. Wilkes said the utilities alone he thinks surpass \$130,000.

Mayor Benton asked most of it is electric? He would imagine cooling that place...

Mr. Wilkes said that is just the electric bill.

Mayor Benton said he is looking for some options there. Solar panels on that building as big as it is, maybe offsetting the cost of that electric bill, could be something that could work.

Mr. Wilkes said they are talking about the frontage in a number of ways, in terms of both awnings and tinting the windows, without having the facade look different. That alone, just the tinting of the windows, would have some savings.

Mayor Benton said there is a big roof and a big back side of that building which could house solar panels.

Mr. Wilkes said absolutely.

City Manager Beach said they can start on the Redevelopment Agency budget and spend as much time on it as this Commission chooses.

Mr. Jon Ward, Director of Fort Pierce Redevelopment Agency, said the conversation on the budget that he always likes to reflect on is the most misleading number in his budget which is personnel, because it only reflects three staff members. And in point of fact, every staff member in this room is part of the FPRA effort on a year round basis. Dorina Jenkins earlier described to them The Oaks Project, an affordable housing project they have

underway at Moore's Creek project. They have been roundly praising the efforts of Public Works for months for all of their beach park efforts; and of course, those are funded by the FPRA and are certainly projects that they have advocated for. So everybody here is a part of the team. He personally has just wrapped up three years here. They have just completed probably the most aggressive building program that this City has ever undertaken. They built the Human Development & Resources Centre, a \$10 million project, in partnership with the college. Of course, the Downtown Parking Garage facility. And a number of other smaller projects. He is particularly pleased to have been able to lead the Agency through that effort. He is here to answer questions on the budget.

City Manager Beach said what he would like to see is the details of the proposed budget showing the programs that are being funded throughout. It looks a lot like last year's program. That is what the Commission is going to be interested in, so let's get to that page. The Commission has it as part of Enterprise Funds Budget and the detail budget starts on Page 17.

Mr. Ward said Page 17 is the Detail Summary of Revenues. Page 19 will really get into the Operating Expenses. This year they led off with legal fees. The legal fees probably, according to the City Attorney, are going to come a little over budget this year. Of course, they have been involved with some litigation. They will notice later down the column there, he has also included a line for settlement of claims. They had a settlement this year on the Catalfumo lawsuit which required them coming up with an additional \$250,000. He has made allowances next year for settlements because they are facing several issues that may require that, but hopefully they won't. Contractor planning has been greatly reduced. The FPRA has historically picked up some of the expenses for some of the other departments, but have transferred those responsibilities back to them over the past two years. So they will notice a great 75% reduction in that. That is largely as a result of transferring those expenses back in their appropriate places. Consultant fees are similarly down for the same reason. Demolition expenses are reduced by 50%, again for the same reason, transferring those to the Building Department. Lot clearing, it looks they are maintaining. He has a figure in here for the operation of the Fisherman's Wharf Marina. A Commissioner had asked earlier about expenses at that marina. He has a line item specifically for that Fisherman's Wharf operation. They will also see under their income figure that more than reflects this expense. He thinks he has \$50,000 down for the expense and they are bringing in about \$65,000 or \$70,000 in income from Fisherman's Wharf Marina right now. Miscellaneous contractual services are down. Those are generally fees that they pay for architects and designers for projects. As their major projects have slowed up, they will see a similar reduction in those kinds of fees. The Adelpia expense, Line Item 3491, is the aggressive advertising program they have coordinated through the City Manager's Office for image pieces on television, advertising the City and its assets. It looks like the others are pretty standard. The next big line item, the \$100,000 for utilities. All of the property the FPRA acquired, like the Marina and others, require them paying a power bill, so he has \$100,000 in for that this year. Insurance is the same situation. As they have assets, they have to insure them, and \$85,000 is budgeted for that. Site maintenance, same issue. That all revolves around if they own property, they have to take care of it. For instance, it was their desire to maintain the exterior of the Human Development & Resources Centre as opposed to turning it over to the lease folks (Boys & Girls Club), just so they could make sure of the level of care that is taken at that facility.

Commissioner Coke asked are they financing the maintenance of the exterior of that facility, or is there a charge to the lessee for that?

Mr. Ward said FPRA is maintaining that, they are picking up that expense. There is no charge to the lessee, no.

Commissioner Coke asked do they have an annual cost factor associated with that?

Mr. Ward said he doesn't. They may recall in the area between the gymnasium and the educational building there is actually a fountain, a beautiful piece. He had to hire literally a swimming pool person to come out and maintain the fountain, so that is a few thousand dollars a year and that sort of thing. He doesn't have that exact number, but he can get it for them. But no, there is not a charge back. They did that to make sure it is maintained in the manner and the standards the City has set, and also because of the \$1 million contribution from Boys & Girls Club. If it is the Commission's desire that they do charge for those things, give him some direction.

Commissioner Coke said she doesn't know that would be her desire, but she would like to know what it costs them.

Mayor Benton asked when it comes to facilities maintenance, is the parking garage under the FPRA or the City's budget?

Mr. Ward said it is now under the City's budget. It is a City facility. The FPRA may contribute to a portion of that.

Mayor Benton said he just hopes they keep an accurate figure of what those numbers are.

Mr. Ward said advertising expense of \$100,000 is budgeted there. Settlement of claims, that is the first they will have seen that number, Line Item 4950. He budgeted \$200,000. This next week they will be in court with a situation at the Sunrise Theatre. He foresees other potential... As they are a public entity and subject to some exposure, they need to make sure they have adequate coverage and the ability to pay claims. So that is why that number is showing up. The administrative charge, Line Item 4960 for \$600,000, is the number they transfer back to the City for the participation of all the City Staff and their assistance, which is invaluable. He has a \$150,000 contingency, which is similar to numbers he has had in the past that they always seem to need, something always comes up. Real estate taxes is budgeted at \$125,000. They have to pay taxes on those items. Their tax rate varies from facility to facility. They are not tax exempt if the operation is a for-profit operation like Cobbs Landing for instance. So they are paying taxes down there, it is not off the tax roll. But all of their other properties, they still have to pay a certain amount of tax, generally a stormwater tax and that kind of thing. So it adds up.

Commissioner Coke said she would assume in a for-profit situation where the FPRA is paying tax, that they are passing that expense along to the lessee.

Mr. Ward said they are in the midst of renegotiating the current lease on Cobb's Landing. They have been operating under a temporary lease and will be renegotiating that this year. And yes, that will be included. Actually he didn't get the notification on that until literally last month, so it is a good thing to talk about right now with the lessee. He thinks those are the large dollar items under Operating Expense. Under Capital Outlay on Page 20, there are some capital projects here that he wanted to review with them and get some guidance on. Line Item 6100, he had budgeted \$45,000 and that is potentially to acquire the land that the Bett's Building sat on. At some point they are going to have to negotiate with the Historical Society, they are going to have to do something with that corner. They already have \$47,000 in the project, the grant money the FPRA advanced to the Historical Society for the building, which they haven't recovered. So his anticipation is that they will probably end up purchasing that piece of property and they will give them more or less that amount of money to get it. But they need to do something with that potentially.

Commissioner Coke said she is confused. They gave the Historical Society \$47,000.

Mr. Ward said they gave them a grant for \$47,000 to fix up the building, to acquire the building. FPRA has requested they return it.

Commissioner Coke said of course, they are not going to do that.

Mr. Ward said probably not.

Commissioner Coke said so instead of saying they are going to put a lien on the property for \$47,000 and move forward on foreclosing on that lien, now they are proposing to give them yet another \$45,000.

Mr. Ward said he is not proposing anything, because that would be a policy decision which is the Commission's. All he is doing is trying to make sure he has a line item in his budget that, should they negotiate and end up buying the property, he has enough money to do that. If they want to strike through that, they can certainly do that. He is just trying to look at a possibility here. He thinks that may be how it goes. He thinks that is a cheaper way to go than getting into litigation and spending \$50,000 to sue them and going back and forth. It is a possibility, but certainly a policy decision for the Commission. He just wants them to be aware that is why that \$45,000 is there. Line Item 6200, \$500,000 for the renovation of 1234 Avenue D for headquarters of Lincoln Park Main Street. They have already acquired the building, they have already gone out for an RFP. They have gotten their numbers in from the contractors and those are a little under this number, so that should cover that renovation. It is ready to go, should the Commission decide they want to do that. Other improvements are a series of capital improvements, major capital projects they have been going forward with. There isn't much under office equipment and the rest of it.

Commissioner Coke asked before they move off of Capital Outlay and they talk about \$500,000 for a building for Lincoln Park Main Street and purchasing land, do they not also have some land that should be listed under potential revenue? Did they not purchase the building on Avenue D?

Mr. Ward asked the King's Inn? They do own the King's Inn.

Commissioner Coke asked are they not looking to sell that?

Mr. Ward said they are looking to sell it. They are looking to get someone to develop that project. They went out for an RFP for that project and had no response whatsoever. So right now he is warehousing it. In the current market, he didn't know...

Commissioner Coke asked when they went out for an RFP for that project, what did they detail that project as?

Mr. Ward said actually they were looking for a proposal for potential uses. One individual came to them and indicated he wanted to put market rate apartments there. They had another conversation with someone about a doctor's office. So they have heard several potential ideas there. But when it came down to the bottom line and someone actually submitting a proposal, they didn't get any.

Commissioner Coke said she is going to express her concern with this along with some of the other properties the FPRA acquired that she thought their intent was to sell or dispose of. They have a Marina they have purchased. If they are going to keep it, if it is an income generating thing for the City or the FPRA, that is one thing. But they have all that property around there. It was her thought they were going to assemble that property and then sell it to someone and then replenish their budget to enable them to move on to do other projects. Now they are getting proposals for that property and she guesses now the King's Inn, where they are going to be holding on to that property for an extended period of time which lessens their ability to move forward and do some other projects they need to do.

Mr. Ward said there are two elements to all of these acquisitions. The King's Inn in particular is an easy one to address. There is a fiscal element of course, as to whether or not they would recover funding and that sort of thing, whether or not they would resell it. The other consideration is the significant socioeconomic and developmental change that

acquisition creates on Avenue D. The best example would be that the King's Inn was probably one of the most active houses of prostitution in the area. It is a terrible place from an image standpoint. It is right there at the entrance to Avenue D. It is not the kind of image they were interested in maintaining. And in acquiring the thing, they put one more rooming house and one more group of hookers, not necessarily out of business, but doing it some place else. There was a reason for acquiring it in addition to that. So if they are going to renovate the Avenue and get it back to being a first class area - and they are moving in that direction he believes - they have to make these kinds of moves. Sometimes it is not just a bottom line thing. The other thing he wants to remind them, when he acquired the King's Inn at 414 Avenue D, they got 1234 Avenue D. He only wanted to buy 1234 Avenue D for the Lincoln Park Main Street organization. The owner told him if the FPRA would buy the King's Inn, he would give them 1234 Avenue D. So at the end of the day it is going to be a very positive fiscal benefit for them as well. They are just in the middle of the process.

Commissioner Coke said she just doesn't want them to lose sight of the fact of what their original intent was. And if they are going to make a policy decision, instead of selling some of these properties they have acquired that their original intent was to sell, she thinks they need to have a very clear meeting of the minds that they have changed their policy.

Mr. Ward said he agrees.

Mayor Benton said maybe what they need to be looking at in the next 30 days is to put a list of these properties together and put it in front of the Commission for discussion and decide which ones are priorities that they at least market them. They know the market isn't much right now. Certain areas like the waterfront, if they are looking at keeping the marina versus selling the uplands. But he thinks they should have that discussion.

Mr. Ward said he agrees. He thinks that is a good subject for an FPRA meeting, to set some good policy as far as these kinds of things are concerned. In particular, the King's Inn in his estimation is a historic property. He thinks it was built in 1923. It is the entrance to the Avenue. They have an opportunity there to have a significant attractive entranceway. He thinks that was their thought. He has been approached by some non-profit charity organizations that say give it to them and they will run something. No, they are not interested in that, because then it will look the same, it won't have an improvement. They are not quite there yet.

Commissioner Coke said she is not saying she disagrees with him. She is just saying that she thinks they need to make a conscious decision as a Board so they are all on the same page.

Mr. Ward said he will look forward to that direction. Under Aid to Private Organizations, the last section on Page 20, that is where they see the grants show up. They are maintaining funding levels for the Treasure Coast Opera and Fort Pierce Jazz Society. Weed & Seed no longer exists. The Sunrise Theatre is not under there. The Hurston project, they are still maintaining that, it is a great image piece for the City. World Changers has approached FPRA again this year. They had been out of the area for a couple of years and want to come back next year. FPRA encourages that, so he has a line item for that. The Love Center Regeneration, be aware he has \$100,000 in there. That is recognizing that they currently have a grant agreement to the Love Center. Recall, they gave them an additional \$273,000 over and above the first \$500,000 and change. They are in the process right now of using that money to finish off their main feeding facility and cafeteria. He is anticipating that they will have about \$100,000 worth of work next year left to do. So they are going to fund most of that project in 2008 and he is pushing that \$100,000 into 2009, so that should finish off that. What that does not do is, that is not \$100,000 toward the housing facilities Reverend Rhyant had asked for. They may recall that Reverend Rhyant also wanted another \$215,000 to restore some of his housing units. He does not have that budgeted. The \$100,000 in there is to finish off the work Reverend Rhyant is doing right now on the

cafeteria. On Page 21 under Other Programs & Projects, the first two items are the Main Street projects. Main Street Downtown has been receiving \$90,000 from FPRA. They have been giving a similar amount of money to the Lincoln Park Main Street; however they have been getting back-doored on some expenses that weren't reflected up front. The best illustration of that is, FPRA is paying rent for the LPMS office building at \$31,000 a year. So what he has done here, the reason there are two different numbers, is he is giving the same \$90,000 to both Main Streets, but it is \$121,000 reflecting a full year's rent for Lincoln Park Main Street. Now if they move forward on the construction of the building a portion of that will go away, because they won't have to pay rent any more. It will take about six months to renovate that other building. Neighborhood Grants and Business Grants were those big omnibus items that don't really tell them anything, so he has zeroed them out and redistributed those funds down below under facade grants, historic preservation grants, rental assistance grants, and community-based organization grants. The Old St. Anastasia School has a \$350,000 number there. When they go for grants, as everyone may or may not be aware... The public in particular probably doesn't understand how grants work, they think it is manna from heaven, that they do a great job filling out a request and funds are bestowed on them. But in point of fact, with every grant comes along a local match. The \$350,000 is to match a State Special Category Grant for that facility. Below that the Lincoln Theatre has a \$450,000 number beside it. They want to keep moving on that project. That should be a rock solid foundation piece for the redevelopment of the Avenue. They will notice under Line Item 8340, Other Grants & Aids, that is the bus terminal. They have been discussing a bus facility or multi-modal facility on Avenue D for a couple of years now. The County is taking the lead on this and has hired an architect. They have already seen the first conceptual plans on that. FPRA has agreed to match grants. So what he has done is he has plugged in this \$500,000 for a grant match for the potential grants. The TPO (Transportation Planning Organization) has a \$1.2 million TRIP (Transportation Regional Incentive Program) Grant. There is no competition for it in the three county area this year. He has gone to Peter Buchwald with this project. He told Mr. Buchwald it should be a multi-year project and they ought to build this thing out of that funding. Mr. Buchwald has agreed. There is no competition. All they have to do is hold up their hand and get the money almost. So they have applied for that through the County. Hopefully they will get the full \$1 million plus funding on that; but the FPRA is going to have to provide \$250,000 worth of local match.

Commissioner Coke said as long as he brought up the TPO, there is a lot of other grant money available through the State and the Federal government that the City has not been taking advantage of. It is a limited window of opportunity to apply. Two years ago they applied for the sidewalk grants and they received them. Last year they didn't apply and the money just went by the wayside. She thinks they are going to try to actively pursue them through the TPO, but for each individual entity. That will give them some more money there too.

Mr. Ward said he didn't want this \$1 million to get away from them; but of course, they have to budget somewhere for the match. If they get the money, they have to match it. That is what these items mean, they are grant matches. These are literally 50-cent dollars.

Commissioner Alexander said on the bus terminal, he is sure he has mentioned about temporary bathrooms during an FPRA meeting.

Mr. Ward said he talked to the County about it about three weeks ago to have a discussion about what they want to start thinking about on that site.

Commissioner Alexander asked start thinking about it? He thought he brought that up.

Mr. Ward said they had brought it up. He never got any direction from the Board about temporary bathrooms on the site.

Commissioner Alexander asked is he the only one who recalls that? He had talked about utilizing some of the temporary restrooms. The reason he says that is, he has a serious concern about locking his doors to his building. It is used as a public restroom, but it has gotten out of hand. He knows he spoke about it. Did he not bring that up about utilizing some temporary restrooms that Mr. Hood has for that site. What he is asking is, when it was on 7th Street, who made the decision to reroute it to the area where it is at?

Mr. Ward said it is his understanding that site has always been the transfer point for the buses. Has it not been?

Commissioner Alexander said no, it was on 7th Street; and when they redid the road on 7th Street, they moved it. He thought it was temporary. He has a serious concern about that. He is not going to close his doors to the public, but it has been abused.

Mr. Ward said he told the County's Transportation Coordinator that Commissioner Alexander was having that issue specifically. He knows they had discussed the use of the Public Works Department's temporary bathrooms, but he never got a direction to move forward with that. He thinks the concern was that these temporary bathrooms... He recalls recently in the news there have been several major cities, Seattle in particular, that have been spending millions of dollars on these public restrooms out on major roads. Lo and behold what happens is they turn into sites for prostitution and drug use. Now everybody is backing away from that. He thinks there was some concern that if they have the temporary bathrooms there, that a similar condition might be created. So he never got any clear direction. But if the Commission wants to give him some, he will move on it.

Commissioner Alexander said he was asking Mr. Hood. When Mr. Ward says he didn't get clear direction, he thinks Mr. Hood brought that to their attention about the temporary bathrooms, that he have a unit that is not being utilized.

Mr. Hood said Commissioner Alexander is correct. He was instructed to prepare an idea and estimate of cost for that. He did so. He believes that was in an FPRA meeting that Commissioner Alexander was unable to attend to take a lead on. But there is information that is still current and available for action if the Commission wanted to do that.

Commissioner Alexander asked again, he wants to know how long it is going to take before they put temporary bathrooms out there? They put aside \$500,000 for that terminal? He is telling them he is over his head with that nonsense with the use of a bathroom, because it doesn't make sense for the way it is being done.

Mr. Ward said he is wondering if they ought to go to the Council on Aging and ask them how they are going to handle that issue, instead of the FPRA spending their money. It seems to be an issue the Council on Aging created.

Commissioner Alexander said he thought they were in partnership with them.

Mr. Ward said they are. But again, he would like to spend 50-cent dollars.

Commissioner Alexander said he doesn't like what he is seeing in his place of business. These buses are stopping right in front of his business and they are utilizing his business and it is being abused.

Mr. Ward said he wonders if they ought to suggest to the Council on Aging that they move the bus stop. Maybe that is the answer.

Commissioner Alexander asked where are they going to move the stop to?

Commissioner Coke asked didn't that stop used to be around the other way?

Commissioner Alexander asked on 7th Street?

Commissioner Coke asked can't they just send them a letter and request, that due to problems it is creating within the neighborhood, that they move the stop back to where it was initially?

Commissioner Alexander said he thinks they reconfigured the road where it is no longer a stop.

Commissioner Coke said but then they can put the ball in their court and tell them they need to resolve the issue.

Mr. Ward asked why doesn't he immediately alert the County and the Council on Aging who operate the bus system that they have an issue and he would like to have an immediate response.

Commissioner Alexander said he just doesn't want it to be next year. Next week is priority to him. Mr. Hood is ready to go ahead, all they have to do is drop the sewage lines or whatever lines they need to drop there. He heard Mr. Ward mention that they put a temporary bathroom somewhere else. His mind is not here completely today, but he did hear that. If they are ready tomorrow, he will speak to the Council on Aging himself.

Mr. Hood said that certainly is a decision the Commission can make on that. The information he made available is good. If the Council on Aging wants to do it, it would amount to about \$47,000, of which probably \$40,000 would be recouped because they could reuse the temporary restrooms at some other facility.

Mr. Ward said he will take care of it. The balance of the other programs and projects listed are facade, historic preservation, rental assistance, and community based organization grants. Those are similarly configured as they did this year. This year they may recall that when they started out, he had less money in the CBO grants. That seemed to be the area of greatest need, so he moved money around during the year. He is just starting the year out in the fashion that reflects last year's needs. The last item is the Fort Pierce Police Athletic League.

Commissioner Alexander said for PAL he is looking at \$25,000. That is really a slap in their face. They are doing a whole lot. They can't support them no better than that?

Mr. Ward said they can do whatever they would like.

Commissioner Alexander asked do they have any proposals from PAL that they need some help?

Mr. Ward said no. This year he budgeted \$25,000, but PAL has only spent about \$15,000 of it. He has another \$5,000 under advertising because they wanted to advertise some of their events, which he agreed. So there is another \$5,000 under ads for helping PAL publicize events where are money-makers for them. Of course, in addition to the \$25,000, the FPRA is furnishing the facility for free and maintaining it for free. Any maintenance or repair work is done by Public Works, which sends a bill to the FPRA. So FPRA is supporting them more than the \$25,000.

Commissioner Alexander asked has that building been painted?

Mr. Ward said Paul Pearson, who is a fabulous individual, goes around and gets the prisoners and gets paint donated, and they have been painting it and they have done a great job. He thinks the back side of that great big two story high tower thing probably needs to be painted. He doesn't think they can get prisoners up there without some health

and safety issues. But other than that, they have painted the buildings. They built stages. They have taken two fish and a couple of loaves and made all kinds of meals out of it.

Commissioner Alexander said that is why it is kind of appalling to him that they just give them \$25,000. He thinks in other cities where they have a PAL Program they completely support their program. He has been in that building. The open space portion of that building, if it is 90 degrees outside, it is 100 degrees inside. Is there anything they can assist them in?

Mr. Ward said that is an old factory building. He doesn't know what it would take. There are some big fans that knock down the temperature a little bit. But it is a gym in all fairness. He has been to some boxing gyms and those are hot sweaty places. That essentially is what it is.

Commissioner Alexander said but they have stages where they put on plays. They have a lot of young people out there in that degree of heat, it is a concern of his.

Mr. Ward said if the Commission wants to look at upgrading that facility, he can certainly do that. Give him direction at an FPRA meeting and he will do it.

Commissioner Alexander asked that is why they bought it, wasn't it to upgrade it? Because PAL was in need of a home.

Mayor Benton said no, that is just a temporary location for PAL. The FPRA bought that property for future development.

Mr. Ward said future development and access to the north end of the Port.

Commissioner Coke asked can they look at two things together here? They have Aid to Private Organizations and Other Programs & Projects. She understand that the Weed & Seed Program is no longer in existence. But last year they deemed to have the leftover money that was not utilized by Weed & Seed to have FPRA's own weeding type of fund available. She would like to see them fund some type of seeding activity on an annual basis, whether it is what they have done this year with youth camps or something else. But she would like to see something in there to move forward with aiding youth organizations, number one. Number two, she has said for the six years that she has sat here that it is all well and good to help non-profit organizations and private organizations, but she is a firm believer that the best way to help somebody is to show them how to help themselves. She has always said she thinks they should limit the amount of money that some of these private organizations can ask for and limit the number of years they can feed at the public trough. She is not going to mention any names, but Mr. Ward is well aware that she personally volunteered to run a fundraiser for one of these private organizations to raise that \$40,000 this year so they wouldn't have to come to the FPRA, and they turned her down. So she has a real hard time swallowing this. They wouldn't do something to help themselves because they are anticipating a huge federal grant coming through in the next 18 months, but they want the FPRA to help them again this year. So she would once again ask that at some point in time they schedule a discussion on Aid to Private Organizations and limit the dollar amount and the number of times they can come in front of the FPRA. If they limit it to \$20,000 a year and if after five years they knew they have to have some way of being self-sustaining, that would enable FPRA to encourage another new organization, rather than just keep supporting the same organizations. If after five years they have not found a way to fund themselves, capitalize themselves, or get fund raisers going, she doesn't think it is up to the general public to continue to continue to fund them. So number one and number two, she would like to fund some seed programs, and she would like to see if they can't schedule a discussion on limiting the amount of money and the number of times a private organization can come to the FPRA. When they look at Other Programs & Projects, there she would really like to see a layout... They spent a lot of time when they started outlining the prerequisites for grant applications and all those other things. It is a

great thing to be able to help a new business along by giving them rental assistance or help somebody to do a facade grant. But she thinks they need to reexamine, now that they have been doing it for a few years, the rules and regulations they have put in place for those, as a simple outline, whether they all still agree with them or they want to modify them. She thinks what has happened is, in some instances if the rules don't fit, they just kind of change the rules without ever having a Board discussion. She would like to see it be something so it is the dog wagging the tail rather than the tail wagging the dog. When they say they are helping PAL to the tune of \$25,000, in actuality it is really a lot more than that. They need to have those figures reflected somewhere in here. That is also helpful to PAL. If they are looking to apply for a grant, they can say not only is the FPRA giving them \$25,000, but here is the in-kind donation also. That assists PAL when they go to get funding. She thinks at some point in time in the near future, since the budget is going to be cut way back, it is time now to re-evaluate what they have been doing and the amount of percentage of their budget they have been allocating for these different things. They need to look to see if they are happy with it or if they want to change it or if they want to change some of the rules. She doesn't know when the time is to do that.

Mr. Recor said the time is now. Commissioner Coke has made some good suggestions. Can they attempt to develop a consensus to provide some direction to Staff? Can they clarify what their expectations are? They have another budget workshop scheduled.

Commissioner Coke said everybody knows hers. She kind of hesitates only because there are just three of them here; and she certainly doesn't want to cut Commissioner Sessions or Commissioner Becht out of voicing their opinion on this.

Mr. Ward said in addition to that, staff is currently reworking some of the rules. Some of their applications were a little nebulous and not particular clear. He is going to bring back to them some suggested language changes. That is probably the time to do that. Since they are out of funding for the current fiscal year, some time between now and the first of October is an appropriate time to do that at an FPRA meeting, because they can decide what they want to do with that.

Commissioner Alexander asked he said they are out of funds?

Mr. Ward said yes. He is talking about grant funding - facade grants and that sort of thing. They are tapped out to the end of the fiscal year.

Commissioner Alexander asked did they not put \$350,000 in place to work with the Weatherization Program? He does not see that in here.

Mr. Ward said Commissioner Alexander is right. He forgot it.

Commissioner Alexander said that was from last year. Are they going to be rolling that over to another year where they said they were going to do this on an annual basis?

Mr. Ward said they will have the money available, because it is apparent the FPUA is not going to be spending it before the end of the fiscal year. So he already has that funding available, but he does need to make it a line item.

Commissioner Alexander asked they won't be able to spend it? He guarantees if they give a couple of their employees \$350,000 to spend, they can spend it fast. It is just sitting there. He is looking at other things that need to be done. He will leave that, as long as Mr. Ward is aware of it.

Mr. Ward said thanks for the reminder. He had forgotten that as a line item.

Commissioner Coke asked when they are looking at their overall budget here, do they have or have they in the past worked out a percentage that if their income is x-number of dollars,

that they want to use 20% of it for administration or 40% of it toward a major project? Because that always seems to have the greatest impact, if they go in and do one major project. Maybe the thing to look at at this juncture in time is the different types of things they do. Maybe they as a Board could set a policy. She thinks one of the biggest impacts they have are facade grants. Maybe they need to raise the dollar amount in those. But she would like to see them set a policy that every year they are going to actively pursue spending, whether it is 10% or 15% of their annual budget, on facade grants. And every year they are going to actively pursue spending 10% to 15% of their budget on youth organizations. So maybe if they could get a breakdown on all the different things they do and what percentage they have been historically spending. Maybe they are doing it right. Maybe if they have those figures in front of them, they could reallocate it and develop a policy. Her concern is they don't have a policy for x-number of dollars set aside, that they just transfer it. Somebody could come in and say they have this building that is in desperate need of repair; and it could be a great FPRA project, but they are out of money because they have spent it all on six other things because they thought they had extra.

Mr. Ward said he thinks they are doing that as an ad hoc kind of operational mindset. The best example would be the Williams Department Store they are working on now - not budgeted, out of funding, but they found a way to do it. Does it fit any of the categories? No, it doesn't; but they are going to do it. It is the right thing to do, so they are doing it. That is why he has contingency dollars and a few bucks rat holed here and there.

Commissioner Coke asked what is the difference between contingency and miscellaneous?

Mr. Ward said spelling.

Commissioner Coke said that is what she thought. So long as they have those both fully funded, they are good?

Mr. Ward said yes. Transfers, on Page 21, they will see Line Item 9110, General Fund (Policing). They are transferring the \$971,000, almost \$1 million, for the Community Policing Program. They have debt service/principal and debt service/interest. And the anticipated \$750,000 transfer to the Sunrise Theatre. That rounds the budget out to \$11,537,920.

Commissioner Alexander said one of those employees at Sunrise Theatre, when they give them \$750,000, they know how to spend it.

Mr. Ward said yes, they do know how to spend it.

Commissioner Alexander said that is why he is saying he wants the same regard to the public that they have on the Sunrise Theatre. He is not picking on the Sunrise Theatre, that is money well spent. They can come back to them and let them how and when they did this. Again, he is just tired of seeing the community as it is without the change.

Commissioner Coke said so let's go back and talk about that \$350,000 from last year that somehow their illustrious Utilities Authority didn't bother to distribute among the community the way they were supposed to. Is Mr. Ward proposing, she would hope, to put an additional \$350,000 in this year toward that Weatherization Program?

Mr. Ward said no, he had not intended to do that. He had intended to roll over the \$350,000 they did not spend this year into next year.

Commissioner Coke said that wouldn't be her choice, but she is only one vote. She thought it was going to be an annual allocation. But the other thing is, they haven't had an update in an extended period of time, if and when the Utilities Authority is ever going to do something. FPUA said they would be ready to rock and roll October 1st. If they haven't started doing something by November 1st, she would be inclined to take the project and the

\$700,000 back and put it back in FPRA hands, because at least when they say they are going to do something for their community, they do it.

Mr. Ward said he will relay that and will have a report at the next meeting.

Mayor Benton asked the Weed & Seed money, they had \$200,000 that was going to be used for cameras, has that been...?

Mr. Ward said no.

Mayor Benton said it was brought to his attention yesterday that... Maybe Mr. Ward and Chief Baldwin could sit down with Mr. Thiess. The FPUA, in one of their upcoming projects, this could be done at a considerable savings tied in with them.

Mr. Ward asked has he talked to the Chief about that?

Mayor Benton said he just found out yesterday afternoon at 4:00 o'clock. He guesses they caught wind of this. In one of the projects FPUA has coming up, they found a way this could be done considerably cheaper as far as maintenance and other things too with the cameras.

Mr. Ward said the Chief was going to give them a presentation he thinks at the August meeting. So before the August meeting rolls around, the Chief and he will huddle with Mr. Thiess and hear what he has to say.

City Manager Beach asked are there any more questions or discussion regarding the Fort Pierce Redevelopment Agency budget?

Commissioner Coke asked just so they are on the same page, are they going to at some point in time revisit Aid to Private Organizations to see if they have three of them who want to set a policy?

Mr. Ward said yes.

Commissioner Coke asked are they going to at that juncture in time also look at an outline of what they have been doing for Other Programs & Projects, the grants?

Mr. Ward said if she will give him time to get the percentages together, he can look at... Commissioner Coke said that is what she thought; but then Mr. Recor said they should do it today. She just doesn't want to lose track of it.

Mr. Ward said he thinks what they should do is look at the last three years since he has been in the saddle here. Let's look at how they have spent their money and the results they had and see how those percentages have moved around. With that example, they will be able to make an informed decision.

Mr. Recor said he wasn't necessarily suggesting that they do that today, inasmuch as they determine whether or not there was a consensus to move forward with the good suggestion. It would be his rather that they spend some time putting those numbers together and plan to present that information and discuss it at their August 28th workshop, when they have full participation. Then they can establish direction at what appears to be their last opportunity for workshopping their budget for next year.

Commissioner Alexander asked is the parking garage complete?

Mr. Ward said the parking garage is not quite complete. They are scheduling their last meeting with the contractor he thinks Friday. They are still retaining he thinks about

\$900,000 of his money. He has not made the final payment. They still have some small issues on it. But it is virtually complete.

Commissioner Alexander said his concern would be not with the parking garage aspect of it, but the building office space. Are they utilizing any of that space?

Mr. Ward said the only portion they are going to utilize that is planned right now he believes is that area that is immediately under the ramp for the first floor. They are going to make that their storage space, so Ms. Steele will have an adequate facility to store the records the City is required to maintain and those will also be here on site so they are a lot more accessible.

Commissioner Alexander said the reason he asked is because Mr. Recor brought up the census individuals. He had an opportunity to meet them briefly and they were looking for some space. Is there space available there? Did he not misunderstand Commissioner Coke say they are going to use her office for two or three days or whatever?

Commissioner Coke said yes, they are. She is glad to let them use her office.

Commissioner Alexander said they as Commissioners don't have this large space. So he was just trying to figure out why would they cram them in one little office? He thinks they are in need of more space.

Mr. Ward said the parking garage office building, there are no bathroom facilities there. That would be an issue for them.

Commissioner Alexander asked there are no bathrooms?

Mr. Ward said no. They stubbed the plumbing up, but they have built no bathrooms. There is no finished space at all inside that building. It is just a shell.

Mayor Benton asked does Mr. Ward have any plans to maybe put a plan in front of them about marketing the additional space in that building?

Mr. Ward said yes; but he was holding until they saw clear indication of the direction of the market and also a firming of the rental space that is already available in the private sector.

City Manager Beach said his recall is that the FPRA Board made a conscious decision not to market that until some of the private sector spaces started to fill up. There are several nice spaces available in the private sector. His recall is that the Commissioners made a conscious decision not to compete with that.

Mayor Benton said he knows there were some state agencies that were possibly looking and he didn't know whether they had something together. He doesn't keep up with what is vacant.

Mr. Ward said all of the inquiries they have been getting from the private sector - for instance, some of their consultants wanted to rent 2,000 square feet and that sort of thing - he has been sending them to the private sector. There are some great spaces available downtown right now. In the spirit of not competing with the private sector, they have discussed before, they are holding that off the market deliberately. The Commission did make a conscious decision on that.

Commissioner Coke said having spent 33 years downtown, they have more vacancies downtown now than she can ever remember.

Mr. Ward said if there are no other questions, it has been a pleasure to serve them yet again this year and he will look forward to next year.

City Manager Beach said they have four hours worth of work done in two hours. They are available to go into other budget issues.

Commissioner Coke asked did they go through all of this? She doesn't know if it came from Mr. Recor or Mr. Beach, a Budgeted Staffing Level Summary. Are these funded staffing levels for 2007-2008 versus funded staffing levels for 2008-2009?

Mr. Recor said yes.

Commissioner Coke said then she is going to try to be real delicate when she puts it this way - it doesn't do her any good. What she needs to know is actual positions they had in 2007-2008. For them to have like a position that has been unfunded but listed for 15 years and nobody has ever sat in that desk, there is no reason for them to consider that.

Mr. Recor said these are funded positions.

Commissioner Coke asked are they filled positions?

Mr. Recor said yes, these are funded positions which have actual bodies. They have removed what he thinks complicates the discussion, what Commissioner Coke just pointed out, positions that have been included in the budget but haven't been funded and are just being held onto for years and years.

Commissioner Coke asked so those are not in here?

Mr. Recor said those are not in there.

Commissioner Coke asked but that half a person is sitting some place over at City Hall, right?

Mr. Recor said he is, he is in the Planning Department. Hopefully they are going to talk about that.

Commissioner Coke said she thought they were maintaining staffing levels. But she is seeing in the Planning Department they are going up one, in the Building Department they are going up three, in Community Response/Code Enforcement they are going down one, in the Police Department it shows they are going down one, up two, up fifteen.

Mr. Recor said they gave the Department Heads a target figure to work with, i.e. these are the resources that they anticipate they have being available to work with. So there has absolutely been some fluctuation in the number of positions, particularly on the Development Department side - Building and Community Response, as well as the Planning Department.

Commissioner Coke said Public Works appears to be down one person.

Mr. Recor said in Public Works he believes the position is actually an Irrigation Specialist that they are electing not to replace.

Commissioner Coke asked this is a person who actually worked for the City who got a paycheck who is no longer going to be working for the City?

Mr. Recor said no, he believes the position is vacant and they are electing not to fill it.

Commissioner Coke said by their next budget workshop she wants to know how many people were getting a paycheck from the City on September 30th who won't be on October 1st in all Departments, because she has a level of concern with that.

Mr. Recor said they can clarify that today if she would like.

Mr. Hood said he does need to clarify that, because they are down five positions from the 87 they have authorized.

Mr. Recor said let's not confuse this.

Mr. Hood said he is not. They have had two resignations in the last week. One was an Irrigation Specialist. But they are going to have to fill that. They only have a two person component to maintain all of the irrigation in the whole City, so they are going to have to fill that. The positions they are keeping frozen and not funding this fiscal year are the five positions.

Mr. Recor said now Mr. Hood is confusing him. What is the position that has been reduced in the budget? That is the question. Mr. Hood sounds an awful lot like the Police Chief when he talks about staffing levels.

Commissioner Coke said Public Works, Parks & Grounds Division.

Mr. Hood said the additional position this year will be a Maintenance Worker in their Parks & Grounds Division.

Mr. Recor asked that they are electing not to...?

Mr. Hood said that they are electing to add to the four previous unfunded positions. Does that clarify it?

Commissioner Coke said Mr. Hood is losing her. Public Works Parks & Grounds, they are showing adopted 2007-2008 with 29 people. They are showing proposed 2008-2009 with 28 people.

Mr. Hood said yes, that is a Maintenance Worker position that the incumbent resigned and they are keeping it frozen, so they are not funding it this year.

Commissioner Coke said so they actually have 28 people working there today. And with all the added responsibilities and expanded annexed areas, he didn't think he needed to fund that extra position?

Mr. Hood said yes. He has to make some command decisions on this. It was one that, by different types of management, they are going to try to get through a year. If they ask him what his preference is, it is to expand the number of employees they have. But that was not one of his options this year.

Commissioner Coke said she doesn't think she and Commissioner Alexander are going to go out and help him trim trees or anything, but she will help him with a lot of other things. What she doesn't want to see is, after all the hard work they put in to roads and youth programs and everything else, all of a sudden... She knows he wouldn't do it consciously, but if all of a sudden they didn't expend the funds to maintain the City at the level it has reached, all the other money they spend is worth nothing.

Mr. Hood said he doesn't disagree with her. The quality of the level of service will decrease this year, because they have just so many people, just so many employees, just so many contracts, and just so much money for contracts to go around an ever-expanding City.

Commissioner Coke asked can Mr. Hood, certainly not now, but by the 28th - and she has real concerns with leaving this until the 28th - can he give them a very specific listing of the services that will decrease as a result of the changes in this year's budget, or the lack of expansion of this year's budget in his department?

Mr. Hood said yes. The Deputy Director of Public Works has some handouts he thinks might help. These are based on some of the comments Commissioner Coke had at the last workshop.

Mr. Recor said they can actually discuss that today. If they recall from Draft No. 2 of the General Fund Budget, the cover memorandum identified those specific programs and services that would be impacted. They are prepared to have that discussion today, he is sure. There is no need to wait until the 28th if they would like to do so.

Commissioner Coke said it was great to talk about all of these other budgets; but she still wasn't quite to the point where she felt comfortable with the General Fund budget. Number one, she thinks they need to re-examine Public Works and what they expect them to do and how much money they are giving them to do it. And of course they are going to go back to number two, how much are they saving if they don't replace any police cars this year and leave it all to accumulate for next year? It seems to her they have had discussions prior to this where they have talked about other things and said Department Heads can find the money for that if they have to. But she would put to them, if Department Heads can find the money for that, then they ought to be able to find the money for the things they are prioritizing here such as Public Works and Police cars. She has a level of concern that they haven't reached an acceptable budget yet.

Mr. Recor said it appears they are ready for lunch. They have identified lunch as a working lunch. Let's get a bite to eat and then pick back up then on the General Fund. And they can discuss the impact to Mr. Hood's programs and services and conclude with some direction. Is that amenable to everyone?

(Commissioner Sessions returned to the meeting at 11:20 a.m. The Commissioners took a break for lunch at 11:20 a.m. and resumed the workshop at 11:40 a.m.)

City Manager Beach said they are going to get started up again. Commissioner Coke had some questions. Does she want them to go ahead and go through this budget first; or does she want to start out with staff responding to her inquiries? They are available to do either.

Commissioner Coke said her inquiry was on this proposed budgeted staffing level.

Mr. Recor said the way they left it off was they were going to identify the impacts to the programs and services that were going to be affected as part of this budget. The Public Works Department is prepared to discuss that.

Mr. Hood said with the decline in the amount they have budgeted this year, they have reduced some of their line accounts a great deal. For instance, in their temporary service worker category, they have reduced that to zero. They will see \$65,000 budgeted amount in their Parks & Grounds. That is the amount funded by Harold Hopkins out of the Solid Waste Department for trash removal. In many of the other contractual services, they have reduced or eliminated those in order to meet some of the goals for budget reductions they were requested to make. In their Facilities Maintenance Division, they have reduced heating, ventilation, and air conditioning contracted services from \$50,000 last year to \$10,000 this year. What that means is, they sent one of their employees to a specialized school so he could bring that cost back in-house and they reduced that contract amount. Carpet cleaning and floor refinishing, they are going to be doing those types of things in-house now, instead of contracting them out.

Commissioner Coke asked Public Works reduction is \$677,442?

Mr. Hood said yes.

Commissioner Coke asked to clarify, does Public Works not pay the utility bill for everybody - the street lights and all those other things?

Mr. Hood said they pay the utility bills for street light energy and for traffic signal energy and for much of the energy for all City Hall and many of the other facilities around the City. The FPRA has a \$100,000 utility budget and the Police Department has maybe \$110,000 for that too. But basically she is correct.

Commissioner Coke said her concern is, there is an expense he actually doesn't have a lot of control on. So they are all spending his budget for him. The Public Works Department, if he is paying the utility bill for City Hall and street lights and other buildings, he has no control over that.

Mr. Recor said they have actually discussed the potential of moving the utilities costs citywide to the administrative account to reduce the effect. Because for example, when they asked Mr. Hood to reduce his budget by a percentage, he arguably is bearing a disproportionate share of that reduction because of that issue. There are a couple of other issues out there like that. But those are accounting issues and they can account for them by simply putting them in an administrative account.

Commissioner Coke said she understands what he is saying that these are accounting issues. And she would agree certainly that Public Works should not be responsible for the utility bill for the entire City. But they are basically holding Mr. Hood responsible because he has had to reduce his budget. And in addition to giving him more land to maintain and all those other things, they are expecting him to eat the increased cost of utilities throughout the City. She just doesn't know how they can expect that of anybody.

Mr. Hood said she makes a good point. He believes the Deputy City Manager was accurately reflecting one of the problems; and that is, it is a fixed expense for them. If they are asked to reduce their expenditures by some percentage of last year for instance, they have to work around that. They don't have that discretionary expenditure situation that they once had. Last year at this very same time he thinks the numbers Nick Mimms worked up were somewhere in the neighborhood of about 37% of their total operating budget. This year it has gone up to 45%, because they are paying the same increase utility expense that everybody is paying.

Commissioner Coke said so he is paying 8% more for utilities citywide. He cut his budget by what percent?

Mr. Hood asked how much, 9%?

Commissioner Coke said so in essence if utilities has gone up 8% and he cut his budget 9%, he actually had to cut his actual working budget approximately 17%.

Mr. Hood said yes, they have.

Commissioner Coke said she has a problem with that. First of all she thinks there ought to be a way - whether it is square footage or number of people in each department - the same as the FPRA sends the City a bill for work they do, Public Works ought to be evenly distributing the utility charges to different departments. She doesn't think it is fair to ask one Department Head to incorporate the utility bills of everybody else. Because if every Department Head was responsible, then she might not drive past City Hall at 11:00 p.m. and see every single light on. If their percentage of the utilities had to come out of their budget, they might be more concerned about turning a light off.

Mr. Hood said they did that several years ago with the Fleet Maintenance expense, they divided that up in a pro rata share with all the departments of the City.

Commissioner Coke asked is there a reason they couldn't do that with utilities also? Her concern is, the City limits have increased 27% in the last ten years and the employees in

Public Works has decreased by ten. So they are asking him to do 27% more work, pay at least 10% more for utilities, and do it with 10% less people.

Mr. Hood said that sounds about right.

Commissioner Coke asked is there a reason they cannot take this utility figure and allocate it appropriately between the departments that do not already pay their own utility bill?

City Manager Beach said that is an accounting function. Absolutely that is possible.

Commissioner Coke said in some ways it is an accounting function, but in other ways it directly affects the level of service they are providing as far as Public Works goes to the community, because Mr. Hood only has x-number of dollars in his budget. And if he took his budget less the utilities and made the same 10% cut, but he had the utilities taken out of there, he would have more cash flow to work with.

City Manager Beach said that is not entirely accurate. What the Public Works Department has to work with is the budget that is approved. That budget is approved by the City Commission. If they were to move the \$700,000 light bill from Public Works budget tomorrow and put it in the Administrative Account, they would simply reduce the Public Works Department by \$700,000. Again, from their perspective it is an accounting function, but they can do it.

Commissioner Coke said maybe she didn't explain herself clearly. Let her take another shot at it. If Mr. Hood's budget was \$200,000 and \$100,000 of that was utilities and they told him to cut the budget by 10%, he is cutting it by \$20,000. But his utilities costs have gone up 8%. So if they had taken the utilities out up front and left him with \$100,000 budget and told him to cut it by 10%, he would be cutting \$10,000 and he wouldn't be responsible for bearing that 8% increase in utilities. So it is not just an accounting figure, it is a matter of a real live dollar figure he is not being allowed to work with.

City Manager Beach said he understands. The way she described it makes sense to him.

Mr. Recor said he understands her point as well. Look at this as a strategy they used this year for achieving their target. However, as the City Manager pointed out, the City Commission can determine the level of resources available to the Public Works Department. So if it makes good financial sense and accounting sense for them to remove that x-dollar figure... What is it, \$40,000? Say \$40,000, and put it in the Administrative Account, the Commission still has the ability to say they don't have enough Public Works employees. The challenge then is just identifying the resources to add to that.

Commissioner Coke said let her voice an opinion on what she would like to see. Of course, she is only one person up here. She would like to see them subtract what utilities were from Mr. Hood's budget last year and then ask him to make a 10% reduction off that figure, and this year take the utilities and distribute it throughout each and every department. If they put it in administration, if they are not directly related to turning that light switch on and off and if it is coming out of somebody else's budget, nobody is going to be as concerned about it. If they evenly distribute it the same as they did with the Fleet Maintenance throughout the Departments who are utilizing utilities, she would venture to say that there would be greater inspiration for people to turn the light switch off.

Mayor Benton said wouldn't it be easier at least for this year, being they put all this information together, is for the City Manager's office to come out with a policy citywide asking staff to reduce where they can, especially in lighting, and maybe challenging them to reduce their energy cost 5% or 10% or whatever is reasonable.

Mr. Recor said no doubt. If they go into the County Administration building, the hallways are dark. The County is making a conscious effort to conserve energy. So the City can do that.

Commissioner Coke said here they have two sets of lights on.

Ms. Gloria Johnson, Finance Director, said they only have one meter at City Hall. It would be a lot of work to try to distribute it between all the different departments, not that it can't be done. But she thinks as far as control and knowing how much they spend, sometimes it makes a lot more difference than if they were to put it in the administrative account. For example, maybe do some type policy when departments are not cutting off lights or doing whatever else they need to do. Maybe they can assess it in a different way. It just makes it easier if they put it in the 6000 account.

Commissioner Coke said she understands it is easier, but she just doesn't know that is going to create the inspiration to lower it. If they look at City Hall and say they have x-number of square feet and the City Manager's Office is 2% of that and the Finance Department is 30% of that, she doesn't know that it is a tremendous thing to divide it up that way. She is thinking once they get a formula, it is an easy thing to do.

Mr. Recor said accounting-wise, they could absolutely follow up and determine the effect and impact of that.

Commissioner Coke said the rest of what she was trying to get to today is, if they could take Mr. Hood's budget from last year, less the utilities he paid, and then have him cut that portion of his budget by the same percentage that they had everyone else cut, she thinks that would give him more operating capital, and then they can add the utility stuff back in or they can move it or they can put it in administration. But she doesn't think they have given Mr. Hood a proportionate share of the money, since most of it is being eaten up by the utilities.

Mr. Recor said he thinks they will find, even if they were to do that today, that the additional resources that would be made available to Public Works based on the amount budgeted for utilities would be minimal.

Mr. Hood said he thinks Mr. Recor is right. Unfortunately he thinks they are going to be faced this next fiscal year with some additional challenges. It might be at that time an ideal opportunity to try to restructure some of these expenditures. He doesn't want it to be said that all the utilities... For instance, in their Parks & Grounds Division, most of the utilities is water and irrigation expense. They have reduced that this year in no small measure because of what they learned with the South Florida Management Phase III restrictions. They don't irrigate like they did and they have learned some lessons, so they have reduced that amount. He thinks in this coming budget year if they can make some of those shifts that were mentioned to the 6000 Administration Account, it will take that out of the equation.

Mr. Recor said he and Mr. Hood have talked about this on several occasions. It is good that the Commission is cognizant of it. And staff has been aware of it as well.

Mr. Hood said that in the handout one of the things they tried to provide is a visual of that level of impact that the utilities makes to their overall operating budget.

Commissioner Coke said 45%. That is why she thought it might be important to make the cuts based on the figures without the utilities.

Mayor Benton said it depends on what attorney they listen to, they might have a \$500,000 credit over there at the Utilities Authority.

Mr. Recor asked are there any other questions about the programs, services, or activities that are going to be impacted at this level of funding in Public Works?

Commissioner Coke asked can Mr. Hood give them a synopsis of what he is taking away from them because of what they have taken away from him?

Mr. Hood said as he indicated in the last Budget Workshop and he will reiterate, what they are going to see is a reduction in the quality and level of service. Let him explain that. At one time they had temporary service employees who many times worked for them year around and were quite knowledgeable about things. So if someone called about a pothole in front of their home, Public Works would be able to go out there with one of their crews and effect permanent repairs on a quick time basis, that might be the same day or it might be two days. They are not going to be able to do that any longer. They have been reduced in the number of employees they have had for a while. So the crew will go out there to assess the situation. If it is a big hole, they will put some material in it and put it on the list of things to do when they can make a more effective repair. On substandard sidewalk repairs, they are not going to be able to send a crew out there and then have them look at the entire area and while they are out there go ahead and fix these other areas that are substandard. They are going to have to go out there and fix what is an immediate health and safety hazard and then stop. Their employees are divided up into crews who go out and do specific things, whether it is a park, facilities, or streets. And they are going to have to backup each other now. So the crews, instead of working five days a week on something, they may work three days doing that, and the other time backing up those other crews.

Commissioner Sessions said on the issue of parks, he noticed in his district that it appears to be a lack of attention on the maintenance of a lot of the restroom facilities and the equipment in that area. So Mr. Hood is saying this is going to have an even bigger impact on that?

Mr. Hood said they are doing their best to try to get around to meet all the demands they have in all the city restrooms and other facilities. They have playground inspectors who are certified to go around and look at the playground equipment. They try to make those repairs immediately due to the safety issues. They are constantly in a state of trying to identify better ways of approaching the responsibilities they have - whether it is reassigning people, assigning more people to it, changing their hours of operation, or whatever.

Commissioner Sessions said he was hoping Mr. Hood would be able to improve that situation, because the way he described it is the way it is. Pioneer Park for instance, when he looks at the dilapidated state it is in and the number of complaints they get from that park, individuals tend to think perhaps the City has forgotten about that particular park. But if they are going to shorten the manpower, then that is just going to have a bigger impact. That is just one of other things. He just doesn't feel comfortable with the budget as it is laid out with regards to Public Works having the ample amount of manpower it needs to even maintain status quo, let alone improve, which is what they should be trying to do.

Mr. Hood said he doesn't disagree with him. They are going to have to be very watchful on how they use their personnel, who are doing extraordinary jobs right now. All of their regular employees are working as hard as they can work out there, sometimes in very difficult conditions. It is his responsibility to make sure they have the tools they need to operate successfully. If he failed in that, he apologizes. But yes, they could always use help.

Commissioner Sessions said don't get him wrong, Mr. Hood is doing a tremendous job in terms of what he is doing with what he has. He compliments him on that and he has done so in the past. Mr. Hood is doing an excellent job as far as he is concerned. But he doesn't have much to work with, that is the point he is trying to make. So it is incumbent upon this Commission to give him the necessities in order to improve the things he just described.

As far as what Mr. Hood is doing, he is doing a great job. He just doesn't have much to work with.

Mr. Hood said he didn't take it personally, he understands what the Commissioner is saying. He does appreciate that and all the people in Public Works do too, the support they are given. Yes, they are in extraordinarily difficult times right now and they are trying to play their part in reducing their expenditures to meet that. If it is the will of the Commission to give him additional funds to hire some people, he certainly could do that.

Commissioner Sessions said he is just one of five, but it is something he would like to address. He hates to open up a can of worms, he knows they are in the process of cutting back; but this is a particular department that he can't see they can afford to cut back. He thinks they need to be trying to increase the manpower.

Commissioner Coke said if she is reading all the figures that have been provided correctly, it appears to her that two-thirds of the overall General Fund reduction budget came from Public Works.

Mr. Recor said over \$600,000 indeed came from Public Works.

Commissioner Coke said out of \$891,000. So she thinks they have a two-fold inequity. Number one, for Public Works to be required to absorb two-thirds of the entire cut needed from the budget is not fair, right, or reasonable by any measuring stick. Number two, in addition to Public Works absorbing two-thirds of the cut, they are absorbing 100% of the utility increase, which was several hundred thousand dollars in addition. She just cannot support that great of a percentage of the budget cuts coming from Public Works. She thinks safety and quality of life are the two most important things they provide their citizens and the rest is all window dressing.

Mr. Recor said it may seem like achieving the bottom line was less difficult than they anticipated, but he will tell them it was no small feat. They did so by a combination of things. Most of the City departments reduced expenditures to the equivalent degree, as did the Public Works Department. But they also were able to achieve the proposed General Fund budget by increasing revenues from other sources. They have an appropriated fund balance to the tune of about \$971,000. They have a transfer from the Solid Waste Department of \$800,000.

Commissioner Coke asked do they have department by department, starting with the Commission and going through the last one in the book, what percentage everyone's budget was cut?

Mr. Recor said yes, they have that in a handout entitled Departmental Expenditure Summary. The percentage is based on what was adopted for 2008 and what is proposed for 2009. His point was going to be that they can absolutely revisit the allocation of resources in Public Works, but to do that they are going to have to revisit either further reduction in expenditures in other General Fund areas or increase in revenues from one of those sources which they have identified. It is as simple as that. If that level of reduction is unacceptable to the Commission, then those are their alternatives.

Commissioner Coke said again, she thinks they have one department absorbing way too much of the cut.

Mr. Recor said they began their discussion early in the budget process with the percentage of the General Fund budget with the Police Department and Public Works, their two largest departments. The Police Department represents in the neighborhood of 43% and Public Works represents some 20% of the General Fund if he is not mistaken. They can see their other general fund departments indeed responded by trying to reduce expenditures when and where possible. They can certainly have this discussion. The Commission has the information in front of them. They can reallocate the resources available.

Commissioner Alexander said he just wanted to let them know they have a third Commissioner here that is saying do that with Public Works.

City Manager Beach said give them something specific. What do they want to do? Do they want to add back in five people? There are five frozen positions right now. Do they want to put those back in? If they do, just say so; and staff will put something together that brings that back to them. How is that?

Commissioner Coke said yes.

Commissioner Alexander said fine.

City Manager Beach asked will that get them through this?

Commissioner Sessions asked can they hear from Mr. Hood? Would that suffice, to add five more employees?

Mr. Hood said if that is the Commission's wish to make that change, it certainly would help. Public Works hasn't voluntarily given up positions over the years, because their responsibilities increased. This is not their ideal budget. They can always use the additional manpower.

City Manager Beach said if this is the will of the Commission, they have the ability to do that. Staff will bring back that proposal. Is everybody good with that?

Commissioner Coke said yes.

Commissioner Sessions said yes.

Mayor Benton said his opinion, he was kind of hoping they would try this budget out, especially with Public Works; and if there are some areas the public is concerned that they are not sufficient in maintaining, they would get some feedback, and they can always adjust the budget. But they all know next year is going to be tighter than this year. So it might be something just to test the waters and find out. Where are they going to pull this from? If the development side picks up, they can't take it from the Planning Department. And they are talking about fast-tracking permitting.

City Manager Beach said staff will submit proposals to them as to how this can be accomplished. Then the Commission will decide whether they want to do it or whether they don't.

Commissioner Sessions said one of the things to take into consideration is an even disbursement with regards to the accountability of the electricity.

City Manager Beach said he thinks they can do that. If the Commission wants them to reconfigure how they account for this, then they will propose something. How is that?

Commissioner Sessions said he would like to see that.

Commissioner Coke said she would like to see that.

Mayor Benton said he wouldn't mind waiting until next year on that. He can see a lot of effort going into reconstructing this budget right now. Whether they are paying from one or all...

City Manager Beach said it is a lot of effort. But Staff needs direction to move forward with it.

Mr. Recor said one other area they need some clarification, there has been some discussion about Capital Expenditures.

Commissioner Coke asked not with Public Works, but with the Police Department, right?

Mr. Recor said across the board. This budget does not include Capital Expenditures. It was proposed that they handle any situation on an as-needed emergency basis. That has caused some unrest with a few of the Commissioners.

Commissioner Coke said she was the one who brought that up to begin with. But she thinks if they look at a budget without an eye to having to replace a calculator or a chair or a computer or a phone, they are looking at it through rose-colored glasses. There are a few departments here she sees do have a little bit of capital outlay. But she doesn't think they have approached that in a realistic manner. She is not quite sure how to resolve the issue. But if they say everybody should cut their capital outlay budget 50% from last year, that is one thing. But she does believe everybody needs a capital outlay budget. And her big concern with all of that is, she doesn't think they are doing themselves any favors. They set off five or six years ago, they bit the bullet, they started replacing police cars on an annual basis. It is more cost effective to replace them than it is to repair them. It is a health and safety issue, as far as she is concerned, for their officers out there riding around the streets. She thinks to completely go from replacing x-number of vehicles a year to zero is foolhardy of them, because they are going to pay for it in the long run. Whether it is from somebody getting seriously hurt because their vehicle was not working properly, whether it is someone getting seriously hurt as a member of the public because they didn't have the correct response time because the vehicle wasn't working properly, or from the fact that she doesn't know where the money tree is going to be next year that they are going to be able to pick up the slack for all the vehicles they didn't buy this year that they should have. She thinks they need to find a way to put some capital back into every department because it will be necessary, number one. And number two, they need to replace some of the police cars every single year. It is just her own opinion.

Mayor Benton said he is sure they have vehicles that probably need replacement. But he would hope that the Chief or Public Works doesn't allow an unsafe vehicle out on the road. They do have some funding in the reserves, plus they have additional over the 10%. If they need to dig into that and it is an emergency, that is what it is there for.

Mr. Hood said he can't speak for other departments, but he can speak for Public Works. They absolutely will not knowingly put a vehicle out that is unsafe either for their employees or for the public in general. He also needs to remind the Commission that this was a conscious decision on the part of Public Works not to request any capital outlay this year. For the last two years they tried to be very cautious and prudent fiscally in what they expended money for. If they could do it some other way, they had done so. They know they are in hard times. He said to them at the last workshop and will repeat it, if he has to stand up in front of the Commission and make a good case for why he needs a particular piece of equipment, he will do so, and he will expect the Commission to ask him all the hard questions they want to ask - why does he need it and what is he going to use it for and is there some other way he can do it, borrow one or whatever? He doesn't know if that helps totally. But he doesn't at this time anyway have any capital outlay items he would be proposing.

Commissioner Coke said if they go back and look at police cars, between the Fleet Manager and the Police Chief, they find that 26 vehicles are recommended for replacement next year. Granted they know they can't do that. They are saying there are 10 to 12 patrol vehicles that are considered high priority replacements. She would put to them that even if they can't bite the bullet and do 10 to 12, they need to do some of it. If they are not going to give officers the cars to drive to calls in, where does that leave them? Respectfully she disagrees with the suggestion to handle it on an emergency situation and take it from the General Fund. That is not what they are here for. They are here to propose a realistic balanced budget. To have it balanced is fine, but to have it not to be realistic is an entirely

different matter. She doesn't want to see them three months into it say none of this is working because they needed five more people in Public Works. At a bare minimum, they need to replace three patrol cars. They need to answer the hard questions and answer them now and see where they are going with it, rather than have it hit them in the face every single month. She for one doesn't want to be doing this once a month for the rest of the year.

Mr. Recor asked does Commissioner Coke have a suggestion on the resources? Where would she rather they look to identify the resources? Is the Commission willing to increase the appropriated fund balance for that purpose? They know what their alternatives are.

Commissioner Coke said she would like by August 28th to get an exact cost on what it would cost to replace three or four or five of these patrol vehicles, and a suggestion from the Chief on where they could fund that. She understands he is looking to maintain staffing level and she certainly does appreciate that. However, as they have moved on in the years, every single year the big component they have addressed at the Commission level has been the overtime expenses at the Police Department, some of which cannot be avoided with holidays and that type of thing, but other of it can be avoided. She thinks they need to actively as a Commission say their preference would be to replace three vehicles and have it done safely and take that from the overtime budget. They have talked before about letting the courts know what dates offices are working so they are not being called in on overtime. They have talked about a number of different ways to reduce the overtime. She appreciates all the input. But they have been talking about reducing that overtime. Every time they add nine new officers, that should reduce overtime, and it never does. She thinks at some point in time they need to draw the line and say overtime needs to be cut by 20% and that 20% needs to go back into vehicles. They are maintaining staffing levels. There is no reason in the world with all the officers they have added for the last five years that they can't do something about the overtime.

Commissioner Sessions said in essence she is saying it is that particular department's responsibility to find out where they subsidize and make the difference up. They are not looking to other departments to fund these police vehicles?

Commissioner Coke said no. But she thinks they should give the direction. They have looked at how to cut overtime for seven years she has been sitting here, but they have never actually cut it in the Police Department. They keep adding officers, so there should be less overtime.

Mr. Recor said they will follow up with the Police Department and ask them to work within their existing resources and come back with a suggestion.

City Manager Beach asked are there other subjects that the Commission would like to go into during the course of this workshop? They have direction for their next workshop. They will have that information available. He appreciates all of them taking the time to do this. If anybody has anything else to discuss, please do so.

Mayor Benton said the other night they discussed the possibility of eliminating positions in the City Manager's office if a certain retirement was worked out. He still sees that number in the budget.

City Manager Beach said that issue will be on their next Commission Agenda, at which time if they take action then they will modify their next year's budget after that.

Mayor Benton said that could free up some funding for these Police cars or Public Works.

City Manager Beach said it is conceivable.

Commissioner Alexander had asked for a summary of the Department Heads and what type of monies they were making in what departments. He hasn't seen a couple of departments, particularly what they are using in here for the Commissioners. This equipment is really out dated. He doesn't know why they continue to drag this stuff in here, it is out-dated and they don't have the use of certain things. This is some small writing here. He is going to absorb this and come back the next time. But he does want to ask about the grading for the Department Heads and what they come in making and what they expect to be making six months after that and a year. He doesn't know if they want to comment on it or if they abreast themselves of what he was asking about this. If not, they can table it to later.

Mr. Recor said Marjorie Gaskin, Director of MIS, spent some time last night responding to the inquiry for the salary history for all of their Department Heads and Assistant Directors. The handout he just gave them lists the employee, their hire date, and the employee's pay grade as well as the range in that grade. It shows the progression of their salary dating back to the year 2003. It is self-explanatory. It gives them an idea of how their Department Heads have progressed within the salary range. One thing to note is that the Public Sector Pay & Classification Study was implemented in the year 2006, so most of these pay adjustments reflect the annual adjustment that the City Commission decided to award employees. He believes this responds to the Commissioner's inquiry. If it does not, let him know and he can do so further.

Commissioner Alexander said he is trying to absorb some of this, but he has to go back and work with this and get the answers he asked for. His concern is the pay grade of existing employees. When individuals come in different departments, how are they graded? As far as pay, he guesses that is Mr. Beach's forte when he hires individuals. He just wants to know the aggression that employees have if they are going to be employees, then why are they not judged as such? As far as the summary they got back from the study, are they up to par on that study?

City Manager Beach said they implemented the recommendations of that study almost two years ago. Whether or not they have stayed current would be the result of a follow-up analysis. He doesn't know if they are or not. His suspicion is they are not, because they have not authorized increases for some of their bargaining units and for non-bargaining units since October of 2007. So more than likely they are falling behind. But that is going to be a subject of another assessment and another analysis.

Commissioner Alexander asked the equipment they have, are they going to do something about this?

City Manager Beach said he is not sure what he is referring to there. He thinks their equipment is actually in pretty good shape. He thinks the problem is that this room is really not set up for all of this wiring and all of the speakers and everything they have. He and Sandy Steele were talking about that earlier. He may not suggest having meetings in here in the future simply because of that.

Ms. Marjorie Gaskin, MIS Director, said some of the equipment they have in here was just replaced since they started having these meetings. The only thing they need to replace now is the board and some of the speakers. Those are the only two items they have not replaced.

City Manager Beach asked any more questions? If not, he thanks everyone again and appreciates their participation and looks forward to seeing them again soon.

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The Budget Workshop ended at 12:35 p.m.