

MINUTES OF A BUDGET WORKSHOP OF THE CITY COMMISSION OF THE CITY OF FORT PIERCE, FLORIDA, HELD IN THE CITY HALL COMMISSION CHAMBERS, 100 NORTH U.S. #1, FORT PIERCE, FLORIDA, AT 2:00 P.M. ON WEDNESDAY, AUGUST 12, 2009.

Mayor Pro Tem Sessions called the meeting to order at 2:10 P.m.

The Pledge of Allegiance was recited.

Those present were: Mayor Pro Tem Reginald Sessions; Commissioners Rufus Alexander, Edward Becht, and Christine Coke; City Manager David Recor; City Attorney Robert Schwerer; and City Clerk Cassandra Steele. Those absent: Mayor Robert Benton.

The purpose of the Budget Workshop was Discussion of Fiscal Year 2010 Proposed Fort Pierce Redevelopment Agency Budget and Discussion of Fiscal Year 2010 Proposed Enterprise Fund Budgets (Solid Waste Fund, Marina Fund, Golf Course Fund, Sunrise Theatre, CDBG & SHIP, and Building & Code Fund).

City Manager Recor said they made such good progress on their General Fund using the Changes at a Glance table as a guide for their discussion (on August 4th), that staff prepared a similar table to use today. The Changes at a Glance table identifies the comparison between what is proposed for FY 2010 versus what was approved for the current FY 2009. He will invite the appropriate Department Head up to present their budget. They will begin with the Fort Pierce Redevelopment Agency.

Mr. Jon Ward, Director of **Fort Pierce Redevelopment Agency**, said he thinks the Changes at a Glance page is obviously fairly self-explanatory. It will show obvious decreases in resources and corresponding, if not greater, decreases in expenditures. The primary reason for the decrease in resources is because they have spent a portion of the bond funding that they had last year. Last year he had a large amount of money going forward from the previous year in bonds. This year they have expended some of that, so there is less money being carried forward. Of course, their TIF income is down 22.8% or 23% more or less. So that is an indication of what they face from a revenue standpoint.

Commissioner Alexander asked can he explain to the public what he meant by they spent? What did they spend this year that they didn't last year?

Mr. Ward said they finished any number of projects this year. They spent the last funding for the parking garage, for instance, and all of those major projects they made expenditures for. So without looking at a specific project chart, if he owed \$1 million on the parking garage, obviously he would have spent it this year; and that would have come out of their bond funding and reduced the amount of money he had to carry forward. When they get their monthly Financial Report, there are two pages - one that covers the operating and one that covers bonds. So they have some of the projects that are bond dedicated funding and some that are operating funding. A good example would be that they transferred \$1.2 million from the Bond Fund this year into Operating Fund for the purchase of the Days Inn property

that they just closed on. So obviously that will reduce that amount of bond money he has to carry forward into the next year.

Commissioner Alexander asked that was a grant, that money will be replenished, right?

Mr. Ward said they are going to get a grant back to cover that, yes. He is just saying it won't show up in the Bond Fund. So there is a reason that money moves around. Are there any questions

on that Changes at a Glance page? It is fairly easy to understand. They are proposing obviously, as a result of less revenues, decreases all across the board. If they would like to move through it on a line by line basis, he is here to answer their questions.

Commissioner Coke said Changes at a Glance seems to reflect the same thing as Page 65 of the proposed Budget, a \$37,000 increase in Personnel Services. They are looking to hire a trolley driver?

Mr. Ward said no.

Commissioner Coke said her understanding is that the trolley driver they have now works part time. Can he explain that \$37,646 increase to her?

Mr. Ward said the trolley driver has been on the Public Works budget for the last couple of years and the FPRA has been paying for it as a practical matter. It is a line item in their operating budget. So this year instead of carrying it forward under Mr. Hood's aegis, it is transferred to the appropriate cost area. It is a half of a full time employee. The expense is exactly the same, they are just showing it in a different place. The trolley driver is actually a part time person. And all she does literally is come in and drive their trolley. She has all the licenses and things. When they use that trolley, they call her and she comes to work and they use her for those hours.

Commissioner Coke asked so that is a \$37,646 increase?

Mr. Ward said that is the anticipated cost.

Commissioner Coke said they have discussed previously the FPRA having a separate audit done. She believes they were quoted a price of \$7,500. She assumes that is inclusive in this budget?

Mr. Ward said yes. Line Item 3200 on Page 66 they will see \$10,000 to cover that.

Commissioner Coke said she saw that and that is why she was concerned, because it is \$10,000 and they were quoted \$7,500. So she wasn't sure if there was a discrepancy there, or if it was referring to the same thing and they just put a little extra there?

Mr. Ward said yes.

Commissioner Coke said on Page 68, Line Item 8265, she sees they have a proposed budget of \$5,000 for the Treasure Coast Opera Society. It is her understanding that the Opera Society will not be giving any performances this year. Therefore, why would they be supplementing them for \$5,000?

Mr. Ward said because this document was prepared a month ago and the Opera Society has subsequently said they weren't going to do anything. It has been his experience with the Opera Society that they have been somewhat of a meteoric group that sometimes has said they were going to do something that they didn't do, so he put a little place keeper in there in case they change their mind. So they can move that around. His intent was probably to move it to another one of their non-profits.

Commissioner Coke said they had discussed previously the transfer to the City and they had talked about reviewing the original calculations. She sees they are reducing it this year from \$600,000 to \$400,000 (Administrative Charges - Line Item 4960). Have they in essence gone back and reviewed those calculations to insure that they can justify that \$400,000 transfer, should in fact an audit come up of the FPRA's funding?

Mr. Ward said they haven't gone back and done an in-depth study that they did when they first quantified what the transfer should be. If she is asking him as a City staffer what he thinks it should be versus their Director of the FPRA what he thinks it should be, he thinks \$400,000 is too much because he is not sure they are going to get that much service from the City. If they are asking him as a City staffer trying to support the General Fund, that is the number they arrived at as an appropriate number. But they have not done a great deal of research to find out.

City Manager Recor said but they are following up on the Commission's request to go back to the original form to do that.

Commissioner Coke said her concern is pre-Recor, but she objected strenuously to the FPRA giving anything. She thinks the original figure was \$200,000. She has a problem because in her mind they can't use it as a mechanism for the General Fund. She thinks they need to insure that those services are actually... Over the years they have gone from paying employees of the FPRA to not paying employees of the FPRA but increasing the transfer. In this day and age everybody is under the microscope. She doesn't want to put them in the position where they are not properly documenting or overdoing the transfer. She doesn't want to put them in a position where they are going to get an audit and be in deep trouble later on.

City Manager Recor said they are certainly sensitive to that. If they recall, early on he believes in the April workshop he had it at \$250,000 and there was some discussion at the Commission level of increasing it. Since that time the Commission has asked that they go back to the original forms and documentation, particularly for those departments that did not participate at the level they should have. They are in the process of doing that to substantiate the reduced transfer.

Mr. Ward said if they ask him with his City Staff hat on, he will say one thing; but as their FPRA Director, he will say he doesn't want to give them all that money.

Commissioner Becht asked when will those forms be completed?

City Manager Recor said it was his intent to have it complete by their FPRA Board meeting in August.

Commissioner Becht asked where in this proposed budget for 2009-2010 is the Northwest Pioneers Park money?

Mr. Ward said actually the Finance Director has already pointed out to him that he had erroneously left off that line item. The money is in there, but the line item wasn't listed under capital projects. What he had done, assuming they were going to fund a portion of it in this year's budget, he transferred a portion of money to cover it in the next year's budget, but he left out that specific line item. It will be added in their next version. There are a couple of things that are going to change on this budget document.

Commissioner Becht said so this is not the final proposed budget for 2009-2010 because they have - as Commissioner Coke pointed out - some money from the Treasure Coast Opera Society that they may or may not need allocated because they don't know what they are going to do. Where then would both Jetty Linear Park and Pioneers Park be captured in this budget?

City Manager Recor said this is Draft #2. It is the first time opportunity they have had to see the proposed budget for FPRA. There has been some by-the-ways that have come up. And just as they did with the General Fund budget where they took copious notes and noted their questions and intend to come back on August 28th after the VSIP separations have occurred where they can identify what resources can be added back, they will take the notes from today and be prepared to present Draft #3 of the Budget that hopefully will reflect all of their comments for both General Fund and their Enterprise Funds.

Commissioner Becht said he doesn't know if he is disagreeing with him or not, but these are not new things. Pioneer Park was approved months ago. They all knew it was coming because it took them months to get to where they all wanted to be on it.

Mr. Ward said the numbers are all in there under Operating Capital on Page 69. The Jetty Park is at \$1.6 million. Causeway Park shows \$0 because all of that funding is in the current years...

Commissioner Becht said he is not asking about those. He is asking about Pioneer Park and Jetty Linear Park.

Mr. Ward said Northwest Pioneers Park is not on here due to an error of his, but the money is in here.

Commissioner Becht asked when he gets it, where is it going to go? Is it going to go in Operating Capital?

Mr. Ward said Bond Capital is where they will pick up Pioneers Park, on Page 70.

Commissioner Becht asked what is the dollar figure they think they have allocated to Pioneer Park?

Mr. Ward said here is the interesting part of how they do that. Pioneers Park is being covered by bond resources that are being carried forward from the previous year. For argument's sake say they are going to spend \$900,000 on Pioneers Park.

Commissioner Becht said they are doing it in two years, he does understand that.

Mr. Ward said but if he has \$900,000 for Pioneers Park and they spend \$500,000 this year, that means \$400,000 is going to be this line item, is what he is saying. So as they approach the end of the year, he will have a better idea of the figure that will go there, because they will spend the rest of it in the previous year. If he spends \$600,000 this year, then it would be a \$300,000 balance.

Commissioner Becht said it will start at \$900,000 and then that will be reduced by whatever he has spent in this fiscal year.

Mr. Ward said yes. But he doesn't want to put \$900,000 on this amount because it completely blows their budget out of proportion. So that is why the number will change.

Commissioner Becht said but even \$400,000...

Mr. Ward said again, that was an error. He had budgeted \$300,000 to carry forward anticipating they will do a tremendous amount of work this year. It appears they are not going to get that amount of work done.

Commissioner Becht said he just wanted to know where it was going to be in the budget. Mr. Ward has fallen on his sword. They are okay for that one. Jetty Linear Park, where is that?

Mr. Ward said he thinks Jetty Linear Park it is anticipated that the work will take place this year and it is all in the previous year's funding.

Commissioner Becht asked Mr. Ward's expectation is he won't have to write a check after October 1, 2009?

Mr. Ward said exactly. And what doesn't get done will be moved forward. He will know that better when they get into September and they look at the progress they have made.

Commissioner Becht said he hopes Mr. Ward is right and there is a ribbon cutting over there.

Mr. Ward said one way or the other, he is either going to spend x-number of dollars in 2009 or x-number of dollars in 2010. It is hard for him to know right now.

Commissioner Becht said he just wants to make sure the money is there.

Mr. Ward said the money is there.

Commissioner Alexander said he is looking at the Changes at a Glance. On the screen it is showing one thing and on the other sheet is something different. Not only the Facade Grant, but Weatherization.

City Manager Recor said it is under Grants - Programs & Projects.

Mr. Ward said on Page 68 of the Budget is the dollar amounts. This year for Facade Grants he is proposing \$200,000. The Changes at a Glance sheet is just showing what the change is.

City Manager Recor said a reduction of \$100,000.

Commissioner Alexander said Weatherization Grants, they reduced that all the way down to \$100,000.

Mr. Ward said yes, he has plugged in \$100,000 for Weatherization. That will be down \$300,000 actually. It will be down \$400,000 from their original budget, but of course they pulled \$100,000 out earlier.

Commissioner Alexander asked the original budget was \$500,000 and they pulled \$100,000 which left \$400,000?

Mr. Ward said yes. He is budgeting next year \$100,000, so that will be a \$300,000 decrease.

Commissioner Alexander asked why?

Mr. Ward said because they don't have the money to pay for it. When he did his first incarnation of this budget, he had \$0.

Commissioner Alexander said don't confuse him. They budgeted originally \$500,000. That means that money was set aside. They did not reallocate but \$100,000?

Mr. Ward said that was last year. They are going to spend all that money this year. That which they don't spend, he will carry forward again.

Commissioner Becht asked is Mr. Ward telling Commissioner Alexander he is going to spend or has spent close to \$400,000 on the weatherization program this year?

Mr. Ward said he is telling them he has spent over \$300,000 on it; and whatever they don't spend this year, he will carry the balance forward and add it to this \$100,000. So if he has \$50,000 or \$75,000 left over in that line item, he will add it to this line item going forward.

Commissioner Alexander asked is Mr. Ward telling him they spent

\$300,000 on weatherization? They haven't as Commissioners received one iota of material what was done with those monies.

Mr. Ward said yes they did, they had a good report on that. They had the folks come in and they told the Commissioners what was done.

Commissioner Alexander asked the Fort Pierce Utilities Authority told them they spent \$300,000?

Mr. Ward said the City sent their Building Inspector out to look at about a dozen houses to make sure it had been done and all of that stuff, yes.

Commissioner Becht said Commissioner Alexander may not have been at that meeting.

Commissioner Alexander said they always give him an excuse.

Mr. Ward said he didn't say that.

Commissioner Alexander said if he doesn't know, then the public doesn't know. It hasn't been on the screen on T.V.

Mr. Ward said yes it has, at the meeting they had that presentation.

Commissioner Alexander asked on the Weatherization Program?

Mr. Ward said yes, without question.

City Manager Recor said he would like to remind everyone how they came to that \$500,000 figure. That is actually a two-year figure because they hadn't spent any money in the first year and then they added that money to the second year to come up with that dollar figure.

Commissioner Alexander asked they spent \$300,000?

City Manager Recor said he will make sure Commissioner Alexander gets a copy of that written report.

Commissioner Alexander said that is what Mr. Recor should do, because no one can be in two places at the same time.

Mr. Ward said he should have had that written report in his backup material for that meeting. They delivered an Agenda packet to him.

Commissioner Alexander said he doesn't. His next item is the Sunrise Theatre. Mr. Ward and he discussed that. He needs to hear that again.

Mr. Ward said he is here today to fall on his sword over a number he had placed in every one of their heads that is an incorrect number. They have been operating on that number and it has gotten ingrained in almost the culture that is what the number is going to be. He presented and projected the wrong

number. He was wrong. The number they have going forward is a number based on three years worth of operations and forward-looking projections now. He will tell them that it is going to cost them \$1 million a year to run the Sunrise Theatre. There is no other way around that. He apologizes for putting that \$750,000 number in their head. He was wrong. It is \$1 million.

Commissioner Alexander said it is projected at \$1.2 million. Where is that \$200,000 to get to that point?

Mr. Ward said the current year. They are seeing an ongoing trend line of their expenses to underwrite the Sunrise Theatre come down from \$1.5 million to \$1.2 million. They are projecting \$1,066,000 this year. They are seeing their business increase and they are seeing their expenses go down. They see that on a positive basis going forward as they emerge from this current economic condition and people have more disposable income. As the black box small performing space comes on line and they start seeing that as a potential income source, he can see them shrinking that line even further. But that \$750,000 number that he artificially created out of whole cloth is an incorrect number. He is here to take the blame for it.

Commissioner Alexander asked the actual dollars they are speaking of is \$1 million?

Mr. Ward said yes.

Commissioner Alexander asked that doesn't include the \$500,000 they spent on the black box?

Mr. Ward said that is a capital cost, yes.

Commissioner Alexander said it first came to them at \$250,000.

Mr. Ward said no, it came to them at \$500,000, and they all cut his knees off. The number was always going to be \$500,000.

City Manager Recor said understand that increase back to \$500,000 was not made by Mr. Ward. It came to the FPRA Board, and the Board concurred and made that decision.

Commissioner Alexander said each time Sunrise Theatre efforts come before the City of Fort Pierce Commissioners, he votes yes. So he is not complaining about what they have there. What he is complaining about, when they propose a budget of \$750,000. And he is not jumping on Mr. Ward.

Mr. Ward said he is not going to dodge the bullet. It is his fault he has that \$750,000 number in his head. He was wrong. There is no other way around that.

Commissioner Alexander said it is not only in his head. He is looking at it in black and white.

Mr. Ward said he was wrong, mea culpa.

Commissioner Alexander said they are subsidizing. So when he

starts asking questions about subsidizing other things, then they are going to ask where do they get the money from? Then someone is going to have to bite the bullet. Because the first thing he wants to ask about is the Lincoln Park Main Street. He understands Downtown Main Street has been in existence for far longer. They have projects that subsidize their income - buildings and rentals and all that. Lincoln Park Main Street has nothing. But they want to cut them off to the knees? How are they supposed to carry on?

Mr. Ward said he wouldn't characterize it as he is cutting them off at the knees. The Downtown Main Street has a building that they pay a lease on and they have a house they pay a mortgage on, so they do have some overhead.

Commissioner Alexander asked so when these buildings and houses get renovated, that cost doesn't go to them?

Mr. Ward said yes, it did. The renovation of the Backus House cost almost \$1 million.

Commissioner Alexander asked who paid that?

Mr. Ward said Main Street got a mortgage. For the renovations, the FPRA contributed \$350,000. The balance is a mortgage that Downtown Main Street has. He was on the horns of a dilemma when he came to this line item, as they have already discussed. When they started this program, the will of the FPRA Board was to fund the one in the same fashion as they funded the other. By the same token, he doesn't know that as a start-up organization LPMS needed as much funding as they gave them initially. They may be given them too much to begin with, because they didn't have all these programs that the other one did. Be that as it may, they funded them at exactly the same operating level. Following that bright line they had established for him, when he cut the budgets back going forward next year, he cut them back exactly the same amount also, knowing they would review it and in their wisdom make advice to him and tell him where they want to go with it. So he is here to take their advice.

Commissioner Alexander said he thought Mr. Ward had an understanding which way Commissioner Alexander wanted to go before he even got here.

Mr. Ward said yes, he did.

Commissioner Alexander said so he is asking him a rhetorical question. He just thinks it is not apples and apples.

Mr. Ward said he didn't indicate that it was. Also this year coming on line sometime within the next month, the Lincoln Park Main Street organization will have their own building. FPRA has been subsidizing the cost of their lease payments all this time. That will go away from his expenses and Lincoln Park Main Street is going to have to pick up the overhead for the operation of that building, so that needs to weigh in their considerations.

Commissioner Coke said when they are talking about Lincoln Park Main Street, certainly the Downtown Main Street has been in

existence longer. Can they maybe get a report back of the funding level per year from when the Downtown Main Street was established versus the Lincoln Park Main Street? Because she thinks they are still looking at an organization that is in its infancy. They need more of a hands up and help going on for a number of years. Maybe when they look at that, they can look at some of these other things such as the \$5,000 for the Opera Society and the \$2,500 extra they don't need for the audit, and maybe they can see where they can transfer more of a helping hand to that relatively new organization.

Mr. Ward said it wasn't up to him to determine how they wanted to support each of these organizations. He was following the Board's guidance on it.

Commissioner Coke said she does believe that when they had lots of money - as a matter of fact, she thinks she was the one who brought it up - was that they had to support both organizations equally. But now that one is already standing on their own two feet, she thinks Commissioner Alexander has a very valid point that they still need to assist the other a little bit more so they get the opportunity to stand on their own two feet.

Mr. Ward said the only point he would make is, when Downtown Main Street started, it was Doris Tillman on her own in a little office somewhere and that sort of thing, she didn't have any staff.

Commissioner Becht said it was Tom Kindred. And there was no public support, Tom Kindred did it all on his own. If he needed something, the local businesses did what they could.

Commissioner Coke said he had an office donated to him in the Raulerson building.

Mr. Ward said it is apples and oranges. He thinks the challenges to be overcome in the Lincoln Park neighborhood are greater in some fashion than they are in the Downtown area.

Commissioner Becht asked where do they have excess money?

Mr. Ward said they don't have any excess money. They just need to tell him what they want to do in between now and their next session and he will see what he can do. They will have to reduce funding for something else.

Commissioner Becht said he wants to sell Fisherman's Wharf.

Mr. Ward said he will take that under advisement.

Mayor Pro Tem Sessions said the \$45,000 proposed here, he takes it that Mr. Ward had an opportunity to speak with LPMS. They are not setting them up to a point where they are going to fail, are they? Has he had an opportunity to find out where they are financially?

Mr. Ward said they cannot operate with this kind of funding at the level they have been operating, if that is the question.

FPRA is about to give them a building where they are going to have to pay a power bill every month. When they started the organization, they were looking at a site coordinator, Ms. Rollins, and then they turned around and there was staff also, now they have a secretary. Then they came to him and said they need a building. So he went out and negotiated a lease. So their overhead is increased. They can't operate with this funding at the level they are operating now, no. So one of two things has to change. They have to either fund them, or LPMS has to make adjustments, or both.

Mayor Pro Tem Sessions asked has Mr. Ward had an opportunity to identify a funding source within his budget to offset this?

Mr. Ward said no. Again, it depends on how much they want to change the number and then he will have to go and find it. He has spoken to the LPMS Board about this, by the way. He did have a meeting with their staff and then he told Ms. Rollins he would volunteer to go and speak to her Board and let them know what funding looked like for the next year. They will recall that he started mailing out letters to all of the CBO's (Community Based Organizations) and everybody they give grants to six months ago, telling them it is going to be bad next year and he wanted to let them know now, because he did not want to drop a net on them when September comes around and tell them that the money FPRA has been giving them is no longer available. He is telling them now, get ahead of the curve.

Commissioner Alexander said that is where he differs with Mr. Ward. He doesn't pick on Sunrise Theatre, but he budgeted \$750,000; and in his infinite wisdom he chooses not to say \$750,000 is what they get, but yet it can be projected to go up to \$1.2 million. And he tells him he can't find \$45,000 for Lincoln Park Main Street?

Mr. Ward said he didn't say that.

Commissioner Alexander said he knows he didn't say that, but that is the way it sounds like.

Mr. Ward said if it is, then he is not expressing himself very well. They have given him guidance on how they wanted him to fund these organizations. He followed that guidance. In his notes there is an arrow next to the \$45,000 and a big question mark beside it, because he knows this is an issue. He is just telling them here is what it is. He is asking them to tell him what they want it to be.

Mayor Pro Tem Sessions said he would base his decision on what their needs are. They want Lincoln Park Main Street to stay alive and keep their heads above water. They are all in the same boat.

Mr. Ward said this doesn't include programming and that sort of thing too. The Downtown Main Street organization has been in business over 20 years. And over that period of time, they have developed methods and mechanisms to make money - festivals and celebrations and things. This organization hasn't arrived at

that point yet where they have developed those sorts of things, so obviously they are behind the curve.

Commissioner Coke asked do they have financials from both Main Streets and a proposed budget from both Main Streets?

Mr. Ward said he has a proposed budget and financials for next year from the Downtown Main Street. He doesn't have one from Lincoln Park Main Street.

Commissioner Coke said she certainly doesn't want to not fund them to a point where the Lincoln Park Main Street is not going to be successful. But she thinks they need to look at it and understand where they are and where they need to be and maybe if the FPRA needs to do something to assist them in order to become more self-sufficient. If they need to assist them in learning how to put on a monthly festival or a fundraiser type of thing, maybe that is where they need to try to focus. She doesn't have any objection with biting the bullet and finding whatever funding they need to do for this year. But it is the old adage, if you teach somebody to fish, you feed them for life, but if you give them a fish, tomorrow they are hungry again, or something to that effect. So she thinks what they need to do is look to do whatever is necessary this year to keep them afloat; but in conjunction with that, they need to have those hard discussions on what do they need to do to help them to become self-sufficient? Elise Rollins maybe can go over and hang out with Doris Tillman for a month and steal some of her ideas. Don't reinvent the wheel, just borrow somebody else's wheel.

Mayor Pro Tem Sessions said he just doesn't want any surprises where they spend all that money and a couple of months they have a foreclosure. They have too big of an investment over there. There are too many people who are involved. They finally woke them up. People are taking the initiative to go out and make a difference in that area. Their attitudes and frames of mind are right. The funding is not necessarily in place; and if there is anything they can do in order to offset it, no more than what they did with Fort Pierce Main Street to be frank, let's do it.

Mr. Ward asked does anybody want to give him a suggested number?

Commissioner Coke said she is going to throw something out there. She had concerns last year when they budgeted money for weatherization and they were not in control of the project; and it didn't get spent, not one dime of it. Now this year they budgeted an additional \$250,000. And although they did get the report and she talked to the people from the U.A. and they did go out and do the inspections, she doesn't know that they are actually making the impact with that program that they as a Board intended to. She is not sure if it is because the FPRA is not controlling it, or just because it has taken so long for it to get going. If they have hard choices and tough decisions to make, her vote is she would close that program down and put that \$100,000 toward the Lincoln Park Main Street. She thinks Lincoln Park Main Street impacts a vast number of people, not one or two or ten people, it impacts an entire community.

Mr. Ward said she and he would have a difference of opinion on that.

Commissioner Coke said that is fine, they have had differences before.

Commissioner Alexander said just to follow up on that, because when they tell him somebody can spend \$350,000 in the twinkling of an eye and tell him he gets a report. But he gets phone calls from people in this community. He asked did they call in for a weatherization report? And it is like non-existent. He knows if these people know how to find him, then they know how to find the trail to get to where they need to be. And on that same line, he has a question about the CDBG monies. They get federal dollars in and they have so many regulations that goes along with their money that they can't use that money in certain things and certain ideas. But why can't they as an FPRA or the City of Fort Pierce set some money off to the side that they will be able to do the same thing, the weatherization, but they have control over it?

Mr. Ward said they don't have the funding this year, they don't have any extra funding for it. The first time he made a pass through the budget, he didn't have the \$100,000 that is there now. The only issue he has with that - and again, it is up to their wisdom to make that determination - is there are folks who are in business to do this sort of thing. The U.A. has this crew they have developed and it took a long time to get them out of the block obviously. But once they got out, they started moving. He looked at the Weatherization Program the FPRA funded two years ago and they impacted less than 15 homes, maybe 12 or 13 homes, and they spent a pile of money on stuff that was inappropriate - kitchen cabinets, carpeting.

Commissioner Coke asked was that their fault?

Mr. Ward said he doesn't know whose fault it was, he is not faulting anybody. But based on the experience they have had with that and the amount of impact they were having with the community, they shut that program down for a year while they scratched their heads about how to re-tool it, what is the best way to do it. And they looked at the implementation of it through the U.A. for a couple of reasons. Number one, the FPUA is the one with the public relations problem - the rates are too high and everybody is griping about them. So they saw it as a great way to have a partnership with an organization that is in place, that has staffing, that know what they are doing, they do this all the time. The FPRA funded the FPUA to develop the Weatherization Program and they finally have gotten it going. They can de-fund it. But he thinks the concept of the FPRA trying to now run around and... He has a sneaking feeling that would involve Public Works trying to get a crew together to do this kind of maintenance work. He just doesn't see them doing that.

Commissioner Coke said the point she is trying to make is two-fold. Number one, she thought they discussed very clearly this time last year that if they were going to fund the Weatherization Program, they wanted measurable results.

Measurable results in her mind does not mean that somebody's attic got filled with insulation. It means that somebody's utility bill went from \$100 and an \$80 power cost adjustment to an \$80 bill and a \$40 power cost adjustment. They never got that comparison. They have been doing this for a while. So if they are expending public funds in order to assist people, she needs to see that there was actually some assistance there. Number two, when they are talking about having to make cutbacks and this isn't the year and they don't have the money, she is not saying they should not at some future date reconsider moving forward with the Weatherization Program. What she is saying is if they have a small amount of money, she personally believes that the Lincoln Park Main Street is going to impact a community and the Weatherization Program is going to impact x-number of individuals. So if she has to make a choice between impacting a community and impacting 20 or 30 people, she is going with the community every time.

Mr. Ward asked could he suggest that they restore the Lincoln Park Main Street's funding to its previous level of \$90,000 and take that \$45,000 from the \$100,000, and only fund the Weatherization Program at \$55,000? That way they are still moving their Weatherization Program forward and they have supported Lincoln Park Main Street.

Commissioner Alexander said he will support that if he can show him a way Fort Pierce Utilities Authority, in anybody's home they went to, there was a decrease.

Mr. Ward said he can show him that. He and Mr. Thiess talked about that, jumping out the month after they do the work and seeing how their bill's improve. But what they really need to look at is kind of a year to year thing, July versus July, not June versus July versus August. They are just now coming to the point where they are coming around the turn and starting to lap the year and they can do that kind of comparison. He knows FPUA is tracking it and has the information.

Commissioner Alexander said he doesn't have it.

Mr. Ward said he will get that to him. He is just saying that they are getting to the point now where it is appropriate that they compare apples and apples, that month this year versus that month last year, because they have spent that much time in the program. Mr. Thiess has that at his fingertips. He just didn't want to come out of the box giving them flawed partial information on which they are going to make a long-term decision. They would rather give it time to percolate and see if it works.

Mayor Pro Tem Sessions asked does Commissioner Becht want to give them his input on abandoning part of that weatherization money?

Commissioner Becht said he has several thoughts on it, some of which aren't going to be very popular. When Mr. Ward is gathering information, he agrees it needs to be this July and last July. But he doesn't remember last July being as hot as

this July. The meter reading, not the dollar figure, but the amount of kilowatts consumed is the information he would be looking for. That is what they need. This is a delicate situation, balancing two Main Street programs. Both are important, both perform valid functions. One is an infant and one is - with all due respect to Doris Tillman - middle-aged. He is reminded of a phrase they got away from, which was "separate but equal". All of this starts to gnarl at him, what they are doing here and why they are doing it. He thinks they have clean spirits and they are trying to do the right thing. But when they fund one more than the other, then it starts to bother him. This year he can go along with funding the one more for the reasons they have articulated - that the middle-aged Downtown Main Street has other funding sources. But he thinks for them to task government with teaching the private sector - which is Elise Rollins - various fundraising techniques, it is not going to work. They actually tried that. They tried to put a Farmer's Market on Avenue D. It works wonderfully downtown on a Saturday. It does not work, it did not work, and he doesn't know if it will ever work on a Saturday on Avenue D. So he doesn't know how much Ms. Rollins can garner from Ms. Tillman's fundraising techniques - it is a different world, it is in a different environment. Some of the things that Ms. Tillman has come up with - he won't give her all the credit, but a lot of the credit is due to her - are her own inventions, not government inventions with government coming in saying try this. For every three she tried, two may have failed. So she has gotten to the point where she has a lot of programs that are working. The Lincoln Park Main Street program has what - two or three years?

Mr. Ward said he thinks they are going into the third year.

Commissioner Becht said so he believes it does need additional funding. Maybe this year, next year, and maybe the year following he could support unequal funding because it does need the help up the ladder. But he does want to point out that they are doing this funding and they are not doing it equally and why they are doing it. Mr. Ward has come up with the creative idea of pulling \$45,000 out of the Weatherization Program and sliding it over to Lincoln Park Main Street. He sits on the Downtown Main Street Board and he is going to get an ear full. But he can support this, it is the right thing to do, certainly for the next year. If that is the best place to pull the money from for today's discussion, then he would be okay with what Mr. Ward proposed, to pull \$45,000 out of the current allocation of \$100,000 for the Weatherization Program in the next year's budget. So that goes from \$100,000 down to \$55,000 and Lincoln Park Main Street goes from \$45,000 up to \$90,000. But he doesn't want a penny going over there until Mr. Ward gets a budget from Lincoln Park Main Street, that has to come in. This is a learning curve for Lincoln park Main Street, but they have got to learn how to manage money. It is government money, which means it is taxpayers money. There has got to be some kind of oversight so they know where the money is going. On the Downtown Main Street Board they have a CPA and a regular bookkeeper who handle the books for Downtown Main Street. That is a luxury because it is a 23 year old organization. He

doesn't think they have that luxury with Lincoln Park Main Street yet. But they have got to raise the bar on their bookkeeping so there is accountability.

Mayor Pro Tem Sessions said he agrees. With regard to the projects that work on downtown, it may not work on Avenue D. The Farmer's Market may not work on Avenue D as opposed to the downtown waterfront. In light of that, it is incumbent upon Ms. Rollins to find out and ascertain what does work, it is her responsibility to do so. But they still need to at least give them the start-up funds in his opinion in order to become self-sustaining. They are at the early stages of the organization, so \$45,000 won't touch the surface.

Mr. Ward said it will be \$90,000.

Commissioner Becht asked is he okay doing that before they get the numbers on the Weatherization Program?

Commissioner Alexander said he still wants the numbers on the Weatherization Program and he still wants this not to be overlooked.

City Manager Recor said they will follow up on both. It sounds like they have direction on this item.

Commissioner Alexander asked October 1st, right?

City Manager Recor said yes, this is effective October 1st.

Mayor Pro Tem Sessions asked can they go back and revisit...? He is trying to find some money. Is that trolley driver a full time position?

City Manager Recor said no.

Mayor Pro Tem said based on his observations, he doesn't see the rubber hit the concrete that often. So can't they get somebody in there part time for a lot less money or somebody from Public Works who is qualified and certified on an as-needed basis?

Mr. Ward said six or eight weeks ago he sent a memo to the City Manager's office saying with all the cuts they were looking at, one of the folks who Public Works identified as staff that was going to get cut was their trolley driver. As far as he is concerned, that puts them out of the trolley business. They are supporting some community events with it. It runs every Saturday at the Farmer's Market and that kind of thing. He doesn't have a dog in the fight. As far as he is concerned, they can be out of the trolley business. It takes a very specialized set of licenses to operate that. They have to have passenger certifications on their CDL's and all that sort of thing. So they can't just call anybody to run the thing.

Commissioner Coke asked Mr. Ward has all those things? She has seen him drive that trolley.

Mr. Ward said it was illegal, because he has nothing. He drove a 40-foot diesel pusher for millions of miles and he doesn't

even know what a CDL looks like.

Commissioner Alexander asked aren't there a lot of school bus drivers out of jobs? They don't have the same?

Mr. Ward said he doesn't know.

Commissioner Alexander said when he says he doesn't know, that bothers him. Why doesn't he know?

Mr. Ward said he is assuming there are school bus drivers that are out of work, but he doesn't know that. In any event, if they find them, they are going to pay them something.

Mr. Bob Hood, Director of Public Works, said he doesn't normally like to be up with felons. Their trolley driver is Sharon O'Connor and she is only paid when she is working, it is a minimal amount. They have to budget something in there, so that is how it is. She should have always been assigned to the FPRA budget; but somehow through some mixup, she was assigned to the Fleet Maintenance budget of Public Works. They then invoice FPRA and then FPRA pays. It is just a little more unwieldy.

Commissioner Coke said another level of bureaucracy.

Mr. Hood said it is another level of bureaucracy, exactly.

Commissioner Alexander asked that is \$37,000?

Mr. Hood said he thinks that amount sounds exceptionally high. Maybe it is because the type of licensing, they get paid more because it is a part time position. That budget amount could probably be adjusted. That is all it is, a budgeted amount.

Commissioner Coke asked can Mr. Hood tell her how much Public Works invoiced the FPRA for a trolley driver last year?

Mr. Hood said he cannot give her an exact amount without looking it up, but he can get that.

Commissioner Coke said the point she is trying to get to is, they are all under the budget crunch and the last thing she wants to see is they budget \$37,000 when they need \$25,000 or they budget \$10,000 when they need \$7,500. Because then they as a Board are the ones who get the phone calls asking what is going on, what are they doing? They don't have a realistic figure plugged in where it should be plugged in. She would much rather have very exact precise figures; and then if there is a problem, an overage or an underage, be able to look at it. She is anxiously awaiting their end of the year thing to be done as quickly as possible so they have accurate carry-over figures and what departments the carry-overs go and in what line items. If Mr. Hood could get her the figure on how much he invoiced the FPRA year-to-date on the trolley driver, they can figure it out. Ten months out of the fiscal year are gone and they can figure how much of that \$37,000 should be...

Mr. Hood said he thinks her point is well made. He can get an

amount that is adjusted downward and more clearly reflects what the true cost is.

Commissioner Becht asked has he been able to find the sheets he filled out in the past for the FPRA transfer fee, how much his Department supports the FPRA?

City Manager Recor said the trolley program wasn't in place at the time they originally did the FPRA study.

Commissioner Becht said because that is another way of handling this. If they are going to justify a \$400,000 transfer and Public Works eats \$15,000 worth of part-time trolley driver fees, then... He knows Mr. Hood doesn't want to hear that because he has already cut his budget to the bone and he probably doesn't have that \$15,000 part-time trolley driver fee in there.

Mr. Hood said it goes a little deeper than that. They are going to have to reduce their Fleet Maintenance staffing if they don't make this adjustment for this part-time trolley driver.

Ms. Gloria Johnson, Director of Finance, said she can tell them what the difference is. The difference is the 3% increase in Mr. Ward's FPRA Department for the cost of living last year. The trolley driver is about \$18,000. They were accounting for when Mr. Ward became sort of the Supervisor over the Sunrise Theatre, which he still is, he is more like an Administrator she guesses she would say. His salary was like \$1,000 a month she thinks it was, a stipend that was given. That was never added into his base pay. This year it is added into his base pay. That is what the \$37,000 is.

Commissioner Coke said before she chokes... She loves Mr. Ward to death. She is not going to get into particulars of salary or anything else. She can certainly understand when the City hired outside consultants, that they had a Department Head to oversee that. She understands that. She doesn't understand the \$1,000 a month. That is a managerial thing. Personally she would think that for instance when he is supervising the building of a parking garage, nobody gets a bonus for doing that; and then when it goes away, it is part of his job. So she doesn't understand that theory. It is a manager's thing, she is not going to argue with it. She will however take exception to the theory that they are paying an Executive Director (John Wilkes) of the Sunrise Theatre who should be in her mind a Department Head; and now they are telling her that Mr. Ward is supervising him. She doesn't get it. Then why do they have a Department Head? She would think that the Department Head would answer to the City Manager, the same as every other Department Head.

Mayor Pro Tem Sessions said Mr. Ward being the type of man he knows he is, he knows he is voluntarily going to give that \$12,000 up in light of what was just described to him.

Mr. Ward said he has \$113,000 here if they want it.

Mayor Pro Tem Sessions said just \$12,000 right now, because he

thinks they have two people doing one job.

City Manager Recor said from a managerial point of view, from the City Manager's perspective, when Mr. Jenkins - the former Executive Director - moved on, there wasn't a person in this building who knew how to turn on the light bulbs in the Sunrise Theatre, who knew how to run the very complicated air conditioning system. It was at that time they first started talking about... It wasn't even an annual transfer at that time, it was a supplement that the Sunrise Theatre could draw from the FPRA in the event they needed it. It has become now an annual transfer. From a managerial point of view, it is very important for Mr. Ward's oversight of the administration of the Sunrise Theatre in the event that Mr. Wilkes decides that one day he is not going to be here. They need to have backup. They are very fortunate in some of their larger Departments that carry the bulk of the workload to have second in commands who can step in in the event they lose Department Heads with those years of experience.

Commissioner Coke said as a manager's point of view, if Mr. Recor wants to tell her this is what Jon Ward is worth, dollar amount, she is not going to argue that. What she is arguing with Mr. Recor and anybody else who wants to step to the plate and argue with her is, the second in command at the Sunrise Theatre isn't Mr. Ward. There are a dozen other people now, finally for the first time they are operating with competent staff over there. They have a competent technical director, they have competent finance people, they have competent marketing people. They have all kinds of people who make up that piece of the pie. Her problem is - and Mr. Ward knows, because she yells at him about this all the time - if he spreads himself any thinner, they could read the newspaper through him, he is becoming transparent. They need him here, especially now, doing this job. They don't need him down at the Sunrise Theatre. Mr. Wilkes doesn't need him. She is not arguing his salary. What she is arguing is, she doesn't like the nomenclature that a Department Head is being supervised by another Department Head.

Mr. Ward said in every organization there is a thing called redundancy. They always want to have what they call in baseball, a deep bench. If something happens, they have somebody who can step in and take care of the issue. The Sunrise Theatre is the largest business in Downtown Fort Pierce - it employs more folks than most of the businesses and it does more business than most of the businesses. It is a multi-million dollar operation. It is a significant reason for the success of Downtown. If they close the Sunrise Theatre, for instance, half of the restaurants and most of the specialty stores would go out of business. It is an under-pining and fundamental reason for the success of their City. and in every sense of the word has to do with an image. She knows that because she Chairs their Advisory Board, so she understands the value. What happens tomorrow if Mr. Wilkes, God bless him, his friend, get hits by a beer truck, who runs that place? But if they don't want him to have anything to do with it, he is prepared today to have the Sunrise Theatre only be a number on his budget.

Commissioner Coke said she is not arguing with him having something to do with it. She is arguing with the constant rhetoric she hears all over the place.

Mr. Ward asked from whom?

City Manager Recor said they all know who it comes from.

Commissioner Coke said she hears it on the street, emails, and all kinds of places.

Mr. Ward asked who cares? What they say doesn't matter. The City has an organizational setup that seems to be working. He doesn't understand that there is a problem.

City Manager Recor said initially the concept behind Mr. Ward's oversight of the Sunrise Theatre was to make sure the monies that were included in his budget were only being used if they were absolutely necessary. They are, in every sense of the word, subsidizing the Sunrise Theatre; and Mr. Ward is making sure those transfers are necessary.

Mr. Ward said it doesn't matter. If it is an issue, he would rather it not be an issue, because every time they talk about this, it turns into a job interview. He doesn't want it to be a side issue for their support of the Sunrise Theatre. So it doesn't matter to him.

Commissioner Becht said it is not a budget issue for him. It has now been explained. It is a flow chart issue. If they want to have a workshop on flow charts with all the various Departments and how they fit together... He likes the flow chart, because for the first time he saw the taxpayer at the top and he likes that. But they have it set up with redundancies that management thought were important before. Whether it is important now would be open for discussion. Mr. Recor is the City Manager, he expects him to manage it. Mr. Ward is the FPRA Manager, so he expects him to manage it. For a long time the Sunrise Theatre was and maybe still is technically an asset of the FPRA. So funding at \$1,066,000, he needs Mr. Ward in there. It is a flow chart issue.

Mr. Ward said he thinks what they are dealing with is semantics. So let's find another term. He will be invisible. He is just telling them, it is not a factor for him. If it is an issue for the Commissioners because there are some members of the public who keep bringing this up on a drum beat, he wants to eliminate their problems. Tell him what they want to do.

City Manager Recor said it is truly a flow chart issue, he will fix the flow chart.

Mayor Pro Tem Sessions asked it is an issue they are going to resolve, right?

City Manager Recor said yes. He will resolve the flow chart issue.

Mayor Pro Tem Sessions asked is everybody satisfied with the flow chart issue? They are not dealing with dollars and cents?

City Manager Recor said Mr. Ward will absolutely still have an interest in how that \$1 million is spent at the Sunrise Theatre. It does not necessarily mean that he is the Administrator of the Sunrise Theatre.

Commissioner Becht said this year it is \$1 million support for the Sunrise Theatre operations and it is \$500,000 for the Black Box Theatre.

City Manager Recor said Mr. Ward is truly, in every sense of the word, a visionary in this organization. He couldn't agree with Commissioner Coke more that they can't spread him any more thinner than he already is. But Mr. Ward is instrumentally involved in the success of the Sunrise Theatre and the success of the Agency. The FPRA has taken on an accomplished more capital projects under his...

Commissioner Coke said that is why she doesn't have a problem if Mr. Recor as City Manager has given him an increase because of all of the projects he has done or whatever else. She doesn't like the fact that it was ever labeled as an oversight thing. It just should have been if the job had grown and the responsibility had grown. Because if they take away that job and that responsibility, there are ten more they will throw right at him. Her point is, it never should have been labeled as that, because it just gives people fodder for...

City Manager Recor said he will fix it.

Mayor Pro Tem Sessions said he agrees too. Mr. Wilkes and Mr. Ward, both of them are good at their jobs. He can appreciate both of them and he thinks they do a fine job at their jobs. By the same token, the way this flow chart is set up, they need to do something. If they are going to give Mr. Ward a certain amount of dollars, so be it, that is his value and he is all for it. But the way it is set up now, it needs to be straightened out.

City Manager Recor said he will take care of it. He thinks they have direction now on what to do with Main Street - \$45,000 from the Weatherization Program for Lincoln Park Main Street.

Commissioner Becht said also, Pioneer Park and Jetty Linear Park. He is going to fix that?

City Manager Recor said absolutely.

Mr. Ward said he appreciates all the kind words from earlier. There is another large mistake that is not in here that he is still scratching his head about and he hates to bring it up. Over the years they have been talking about the possibility of building a bus terminal on Avenue D. They finally arrived at the point where it looks like it is going to be a reality. Up to this point, and it still is, a County project. He hadn't

thought about it much. The County designed it, got the land and everything. So it is a County project out there. The County put out a \$250,000 grant request to FDOT to underwrite the cost of this bus station. For the last three years the FPRA has been agreeing annually to provide the match for that. He doesn't know if the County has ever gotten any money, they have never sent them a bill for the match, and it has never come up. But now all of a sudden it looks like the bus station is about to be a reality. They have an Interlocal Agreement they had hammered out for it. And here comes the bill for \$750,000 for these grant matches on a project that has never appeared on their CIP. So it got past him.

Commissioner Becht said but this is transportation. He thought the stimulus packages out of D.C. were very favorable toward transportation.

Mr. Ward said those might. But what he is saying is, he doesn't have any revenue coming in; and there is a \$750,000 nut that they are about to agree to at some point when they have to fund this thing. That is a problem. The only reason he doesn't know how much of a problem it is, until they get to the end of the year and he sees what the carry-forward is from the bonds to see how much of a problem it is. He knows where \$200,000 is, he thinks. But he is still scratching his head about that transfer. So that is not on their sheet. It will be on the amended next one. But all of a sudden it has become a real project for them, instead of the theory of one day, what if?

Commissioner Coke said they agreed to giving them matching \$250,000 grants for the past three years. She needs some clarification on that. Because if the County got the grant, they should have sent them a bill for the \$250,000.

Mr. Ward said that is the funny part. The County has never ever come back on the backside and said they got it, and then asked for the match. Normally when he gets a grant, he has to show where the money is. The County has never done that.

Commissioner Coke said first of all, she thinks they need to verify that the grant money was received - \$250,000, \$250,000, \$250,000. Secondly, in the Interlocal Agreement she would love to have specified that the FPRA's matching funds will be the last thing spent.

Mr. Ward said they did that. It is already done. The County had grief with that. But they have that in the Interlocal Agreement. But he is now looking at a CIP project that magically appeared out of nowhere because now it is now theoretically a real project next year. So he will have to look at that. Their next budget will reflect something about that, but he doesn't know what yet. Of course what they could do is just back out on their Interlocal Agreement, just like the County does, and not fund it.

City Manager Recor asked does that mean they need to find \$750,000 in this budget?

Mr. Ward said yes, that is what he is saying. Until they get

closer to the end on their bond carry-forward, because he knows there are a couple of bond expenditures they have allotted at a budget that are coming in light. He thinks he has identified about \$200,000 or maybe \$250,000 already. So he thinks he is looking at a \$500,000 problem.

City Manager Recor said he thinks the Commissioners are getting a better sense of what staff has been seeing over the last few months, that it is getting more and more difficult to move monies for projects around.

Commissioner Coke said her concern with that is, they agreed to \$250,000 and budgeted \$250,000. Now all of a sudden to come back three years later and say they need \$750,000... If the County wants to tell them they need \$250,000 this year, \$250,000 next year, and \$250,000 the following year, that is one thing. But \$750,000 in one year is not what she voted to agree to.

Mr. Ward said he understands. He is just telling them, therein lies the problem. So they will have to scratch their heads about that one.

Commissioner Coke said she is telling him that is not what they agreed to. They agreed to \$250,000.

Mr. Ward said he will have to revisit that Interlocal Agreement because he thinks it calls for that funding immediately. It may not. Let him look at it. Other than that, he doesn't think he messed up too bad anywhere else.

Commissioner Becht said one last budget thing and it is just more for public consumption because they have folks here in uniform who might be interested in this. The Community Policing was \$971,000 as they prepared their General Budget for the City, not FPRA. They did not know what that might be. This is budgeted for \$500,000 and balanced with having \$500,000 for that program. He just wanted to point that out, that is all.

Mr. Ward said the other issue they have is the Harbour Isle Roundabout.

Commissioner Becht said that is \$385,000 or something like that.

City Manager Recor said they have identified at least a portion of the funding for the Harbour Isle Roundabout. He thinks all in all they should be very pleased with what they have been able to accomplish with this Redevelopment Agency budget this year - finding some monies for Weatherization Program, continuing to fund their Community Based Organizations, and funding for additional capital projects in a very tight budget year.

Commissioner Alexander asked where is the balance for the Harbour Isle Roundabout coming from?

City Manager Recor said the Solid Waste Fund. That is their recommendation.

Commissioner Alexander said they are beating up Solid Waste

again.

City Manager Recor said he is not beating up on Solid Waste. It happens to be an area where there are resources available.

Commissioner Alexander asked is it going to be done this year?

City Manager Recor said he believes the intent is to move forward with that, yes.

Commissioner Coke asked when Mr. Andrews was here, didn't he say a part of that was legitimately a Solid Waste expenditure?

City Manager Recor said no, it was Stormwater Utility, and that was in the neighborhood of \$120,000. So it could be roughly \$125,000 from the unrestricted reserves of Solid Waste.

Commissioner Alexander asked the roundabout is going to be completed when?

City Manager Recor said Mr. Andrews says in 2010.

Commissioner Becht asked what is the projected shortfall?

City Manager Recor said \$600,000.

Commissioner Becht asked the Developer has a line of credit or bond that is useable?

City Manager Recor said another \$600,000.

Commissioner Becht said the FPUA is having to sue this Developer because of what he thinks he would more than fairly characterize as shenanigans. Is the money readily accessible by the City; or is there something they have to get from the Developer to release the monies?

City Attorney Schwerer said it is a Letter of Credit. They have already started the paperwork to draw on that.

Commissioner Becht asked there is no way the Developer can interfere with them getting that?

City Attorney Schwerer said they are going to draw against the Letter of Credit. It is a commercial paper letter. He doesn't see a problem in drawing against it.

Commissioner Becht said what he was trying to anticipate was a bigger problem where Mr. Simpson's attorney from down south starts playing games with that \$600,000.

City Manager Recor said in the discussions that the City Attorney and he have had with the Developer, they do not dispute...

Commissioner Becht said so they have that \$600,000. The next \$600,000, of which they have roughly \$120,000 coming out of Stormwater Utility and \$350,000 coming out of the FPRA, and then roughly \$125,000 coming out of the unrestricted reserves from Solid Waste. So the question they have been asking has now been

answered, they now know where that money is coming from.

City Manager Recor said yes. Next is the **City Marina Fund**. The grand news they received yesterday, the Governor and Cabinet have approved the Marina expansion and the construction of the spoil island protection. It is a one of a kind and first of a kind project in the State of Florida. He is certain they will receive a lot of accolades and perhaps awards for the project. Commissioner Becht said he wants to go on record thanking the Mayor and Staff for going up there. The Mayor in particular took two days off from his full time job. He took last Tuesday off and he took this Tuesday off and went up to Tallahassee. He wishes he was here to hear them thank him. He knows there are a lot of people who need to be thanked in addition to the Mayor.

Commissioner Alexander said he wants to do the same. He has already thanked Dean Kubitschek. It is sad to have to read it in the newspaper and he didn't get it from Staff, but he can live with that.

Commissioner Coke said good job, Mr. Kubitschek.

Mayor Pro Tem Sessions said a real good job, Mr. Kubitschek and Mayor Benton both. When they look at the impact that Marina will have on the City financially in terms of resources with their ability to hire more Police Officers and keep this City a safer place, it is a blessing for them. He is looking forward to making some money off that Marina now.

Commissioner Becht said he thinks they might be missing the boat if they don't start adopting an attitude that this is a County. It immediately is a Fort Pierce asset, but it is a County jewel, what they are going to be able to do with it. It should be promoted as a County jewel, because it is a County jewel even though the City owns it.

Commissioner Coke said she just mentioned it at the Tourist Development Council meeting she just came from.

Mr. Dean Kubitschek, Marina Manager, said the Mayor had a big part in this; but there are other departments in the City such as Engineering, the FPRA with Christa Razem handling the grant issues, and the City Attorney. There are other departments involved in this project that made this successful. Without those Departments participation, they would not be where they are today. When they stop by and see these people in each department, they need congratulations too, because they have done an excellent job. From here their next objective is that they have to deal with the Army Corps of Engineers, that will be their next step.

Mayor Pro Tem Sessions asked when is that meeting?

Mr. Kubitschek said there hasn't been a meeting set up with the Army Corps of Engineers yet. They are going through a permit process with them. He believes they are answering back another request for additional information from the Army Corps. They have been in contact with them throughout this whole procedure,

so they are well aware of this project as well. He believes they responded back to them six times and they are putting together some other information for the seventh time. He wants to make sure everybody understands there were a lot of different departments involved here that were a big help - Jack Andrews and the Engineering Department and the FPRA and others.

City Manager Recor said they will go ahead and proceed with the City Marina budget. On Page 2 of the Changes at a Glance sheet, they will see the comparison of Revenues and Expenditures for the Marina. The detailed budget begins on Page 71 of the budget book.

Mr. Kubitschek said the Marina has gone through a huge transformation since 2004. They made a lot of modifications to try to continue to have positive cash flow. At this time they are seeming to have done that since 2004. They rebuilt and replaced two docks in the internal basin and did repair work. In 2007 the Commission had approved dredging, as well as replacement of fuel tanks and a new seawall along the Indian River. So they have gone through constant change over the last several years, making it a better facility. The Marina Staff in the last couple of years has equated for City employees five people including himself, as well as three temps who are part-time. Basically his budget has come in with expenses lower than they were the previous year and he hopes to maintain the revenues they are encountering at this time. They are seeing a decrease in transient traffic. He thinks that has to do with the economic issues across the nation. Boating is taking a big hit because it is recreation and that is one of the first things to go during hard economic times. They encountered this in 1970's as well when times were tough. He is here today to answer any questions if they have any.

Commissioner Coke said he is losing two people from the Ship's Store. Is he intending to close the store?

Mr. Kubitschek said no. Those positions, he has never filled. He is using temp service and has used temp service for years in those areas. So what he did to just give them a little bit more true vision of his staffing down at the Marina, five permanent City employees and the rest are temps.

Commissioner Coke said maybe the Sunrise City Volunteer Corps can assist him there.

Mr. Kubitschek said what has also been a great help to them is community service workers. They are doing the lawn maintenance, the cleanup around not just the Marina itself, but they have them work in Marina Square, and they try to cover down toward the Manatee Center and such. When they have a lot of community service workers, they try to spread them out as much as possible to keep that waterfront as clean as possible.

Commissioner Becht asked the revenues from the Fisherman's Wharf operation, he doesn't receive them through this Enterprise Fund, does he?

Mr. Kubitschek said no, they do not. That is a whole separate budget and it is set up through the FPRA.

Commissioner Becht said he sees his little buggy going back and forth between the two Marinas.

Mr. Kubitschek said that is correct.

Commissioner Becht asked is there an allocation from the FPRA to the Marina Enterprise Fund for his services to the FPRA?

Mr. Kubitschek said no. They are able to absorb that into the Marina budget. The impact is really nominal.

Mr. Jon Ward, Director of FPRA, said they cover hard costs.

Commissioner Becht said he is going in a different direction. The \$400,000 transfer, he doesn't know if Mr. Kubitschek filled out a sheet when they did the study for the transfer fee from FPRA to the General Fund. But it seems to him this could be an appropriate area where they would need him to fill out a sheet for whatever it is he does. Because Mr. Kubitschek burns either battery or gas going back and forth between the two Marinas.

Mr. Kubitschek said Mr. Ward is correct. When Fisherman's Wharf Marina needs work in the building or dock work or electrical issues, they do put that toward the FPRA budget. At Fisherman's Wharf, FPRA does cover any maintenance issues associated with it.

Commissioner Becht asked but not his people?

City Manager Recor said they will note other administrative transfers in several Enterprise Funds. They could do the same thing here as well. It absolutely could substantiate an additional transfer from the Redevelopment Agency.

Commissioner Becht said he is not trying to hurt his budget. What he is trying to do is make sure his Enterprise Fund is tapped for the justification for the \$400,000 they are transferring. The rates the Marina is charging for dock rental, this is an ever changing market. Is he competitive? Is he high or low? In the last six years he knows he has raised fees to get them closer to market, but his recollection of what Mr. Kubitschek told him was he didn't go all the way to market because he didn't...

Mr. Kubitschek said their rate structure is down the middle for the most part in today's market. He doesn't recommend that at this time they touch it, especially the way the economy is. He would just leave well enough alone right now.

Commissioner Becht asked where is he with delinquencies?

Mr. Kubitschek said it is a continuous battle. There are people who have become a little bit slower paying. It is one of those issues that makes it tough. They do have a boat in the facility that he has dealt with the City Attorney on, as well as the City

Manager understands about the vessel. That is actually why his delinquency numbers are up. The 65-foot boat has been abandoned. They are just trying to deal with that issue. There is a lot of history on the specific boat that he can probably talk about for a half hour, but...

City Manager Recor said they are making efforts to get the boat removed from the Marina because it is in jeopardy of sinking, and they absolutely don't need any fuel spill issues.

Commissioner Becht said he thinks he has actually seen the boat. He thinks it is at the end of one of the piers.

Mr. Kubitschek said it is one of those issues that is unfortunate. They essentially got stuck with somebody else's problem and they are just trying to work through it by legal means.

Commissioner Becht said where he is going with that is, his need for the City Attorney. Mr. Kubitschek uses the City Attorney for those eviction proceedings or possibly for collection proceedings.

Mr. Kubitschek said he uses the City Attorney for direction purposes.

Commissioner Becht said he is okay with that. They are talking about the budget, and what he wanted to go back to is that they are waiting on Mr. Schwerer to give them a more detailed billing of what it is he does for the City; and here is something he does for the City that is not going to show up on anything. It provides value, but they are not really directly allocating any part of his expense to that. They have raided the Marina's piggybank pretty heavy in the last couple of years. With the approved Marina expansion project, his understanding is that they have a shortfall there that they are going to have to make up in the next two years. How large a shortfall is it they are going to have to make up?

Mr. Kubitschek said the Commission last year had taken a little over \$1 million. Right now the shortfall is around \$1.4 million to \$1.5 million to make up that \$6.5 million to put towards the docks. As they are aware, after 2004 their insurance company paid them \$6.5 million for the loss of the docks. FEMA has required that the first \$6.5 million in rebuilding those docks needs to come from the City.

Commissioner Becht asked do they still have that \$6.5 million?

Ms. Gloria Johnson, Finance Director, said \$5 million.

Commissioner Becht said they have two years probably to come up with that.

Mr. Kubitschek said he is hoping to tell them it is going to be much sooner than that. As soon as they get approval from the Corps of Engineers, they can go ahead and put their project out for bids.

Commissioner Becht said he likes his optimism. That is why he brought it up, to discuss it. Where is it coming from?

City Manager Recor said the most viable option is a bond and incorporate debt service into the Marina Fund.

Commissioner Becht asked Solid Waste, he doesn't want to go raid that piggybank again?

City Manager Recor said no, the Marina is going to pay its own way. They are going to incorporate a modest debt service figure into the Marina Fund's budget. That is going to be Staff's recommendation.

Commissioner Becht said he has been up here so long that he can actually think in terms of left pocket and right pocket. If they are going to pay interest on a bond and the charges for setting up a bond are \$200,000... They are about \$1 million short. If they had \$2 million, he is sure they could do something with it in terms of a capital improvement. But if all they need is \$1.5 million...

Mr. Kubitschek said there are probably going to be additional costs associated with the project. That is something that as they get closer with this project, he needs to identify.

Commissioner Becht asked is it something that has to be done on the front end or is it something he can do out of the cash flow through the years?

Mr. Kubitschek said it is something they are going to have to do toward the end of the project, they will need that additional funding. He is talking about a year or a year and a half they will need that additional money as the project goes along.

Commissioner Becht said he has so many numbers in his head he is getting confused, but he thought there was about \$3.5 million in the Solid Waste Unrestricted Reserves and they are burning through it pretty quick.

City Manager Recor said just so the Commission and the public knows, to date with the VSIP costs and including the Harbour Isle Roundabout, they have spent less than \$1.2 million out of that.

Commissioner Becht said so if the Marina goes out to bond on \$1.5 million, they are going to have \$200,000 worth of bond counsel fees that are taken right off the top, closing costs, etc. Why can't they borrow it at a 5% interest rate from Solid Waste and pay it back the same as they would pay a bond back?

City Manager Recor said they can.

Commissioner Becht said it makes a hell of a lot more sense to him to be borrowing it from Solid Waste, save the \$200,000 in bond counsel fees. The 5% interest, paying it from his left pocket to his right pocket, that money is going to be needed for

the trucks and everything else over at the Solid Waste. But Mr. Recor has said he had other options he is going to come back to them with on funding that shortfall?

City Manager Recor said yes. His primary point was that this isn't a surprise. He and Mr. Kubitschek and Ms. Johnson have been talking about this for months. They will come back to the Commission with options.

Commissioner Becht said so Mr. Recor is comfortable that there are mechanisms in place where they are not going to get caught with needing \$1.5 million and the project gets put on stall or delayed. Because the sooner that project is done, the sooner they have rental income from it, the sooner they have people visiting Fort Pierce and buying tickets at Sunrise Theatre and doing everything else.

City Manager Recor said he hopes they will spend just a few minutes looking at the proposed capital expenditures. They will see there are capital dollars allocated for additional slips in the Marina outside of the Marina expansion. They recall the attenuation area, is that what it was over at the FPUA where they cleared an area of the seawall? It was the intake wasn't it, where Mr. Kubitschek has designed additional slips?

Commissioner Becht said that is where he wants a water taxi to go.

Mr. Kubitschek said once this facility gets built, he will have plenty of slips for a water taxi.

Commissioner Becht said that is all he has. He didn't mean to take so much time, but they did need to deal with that.

Mr. Kubitschek said he appreciates their support.

Mr. Bob Hood, Director of Public Works, said he would like to go back to a question that came up under the Fort Pierce Redevelopment Agency's budget regarding the trolley driver. Melissa Moore from Ms. Johnson's very efficient Finance Department ran up some numbers for him - basic wages, benefits, and labor burden. For the fiscal year to date, it is \$5,500 and change.

Commissioner Coke said that is ten months out of the year.

Commissioner Becht said they have \$17,000 out of \$37,000 budgeted for the trolley driver. The other is the 3% COLA and \$12,000 for Mr. Ward for supervision of the Sunrise Theatre. So they have \$17,000 budgeted in FPRA. And they are only going to burn less than \$10,000 at best guess this year?

Mr. Hood said he believes that is right, because they reduced the budget when they took it off the regular route. It could be less.

Commissioner Becht asked does the Commission have a problem with rounding down the \$37,000 of Personnel Services for FPRA by

\$7,000? If they allocated \$17,000 and it doesn't look like they are going to use more than \$10,000, that is \$7,000 freed up for something else. They have a \$7,000 savings, best guess. Ms. Johnson told them there was \$17,000 allocated for the part time trolley driver, so they can reduce the Personnel Services by \$7,000 easily. If they do more than that, he starts getting nervous. Is everybody okay with that?

Commissioner Coke said absolutely.

Mayor Pro Tem Sessions asked where is the savings going?

City Manager Recor said they have a variety of things here from their FPRA discussion they can reallocate those dollars to. They may have some additional money from Treasure Coast Opera Society and additional monies from the audit expenditure.

Mayor Pro Tem Sessions asked where are they going to spend the savings?

Commissioner Becht said he would prefer to deal with that once they get a more solid figure back. All he is trying to do is create a kitty of cash, so when the Mayor and everybody is here, they can go back and visit all of it. Does he have something specific in mind?

Mayor Pro Tem Sessions said he has something very specific in mind, Lincoln Park Main Street.

Commissioner Becht said what he was hoping was they could find out how much discretionary money can be created between Treasure Coast Opera Society and these savings and whatever else they find. But with some of the boo-boos and sword falling on, he is not sure...

City Manager Recor said they do have Lincoln Park Main Street covered. They took that from the Weatherization Program.

Mayor Pro Tem Sessions asked it will bring them back to what it was?

Commissioner Becht said right, provided they give them a budget. So they have \$7,000 from the trolley driver allocation and probably have \$5,000 from Treasure Coast Opera Society, and as they sweep through it, they may create other discretionary funds. Then they can make their recommendations.

City Manager Recor said next is **Solid Waste**. The detailed budget begins on Page 77. The Changes at a Glance table summarizes the major differences between revenues and expenditures.

Mr. Bob Hood, Director of Public Works, said he appreciates the opportunity to present the Solid Waste Department budget this year. With the recent retirement of long-time employee Harold Hopkins a couple of weeks ago, he was given the opportunity to take on the senior management responsibilities for this very large department. He doesn't know that he has all the answers

to all their questions today, but he will certainly try. Looking at the Changes at a Glance sheet, one of the biggest and probably one of the most controversial increases would be the increase in tipping fees that the County is charging to the City of Fort Pierce and other users. He believes Mr. Hopkins presented to them at a Commission meeting (on July 6, 2009) a Resolution for a potential pass-through on those fees, which is approximately \$383,000.

Commissioner Coke said he thought the Commission said no, they weren't going to do that.

City Manager Recor said they asked for follow-up information. He is glad she asked the question, because that is the very first thing they will note, that this budget document was prepared and it reflects the 6.2% increase. So if they do not move forward... It was actually scheduled for follow-up information on their next Agenda, but Staff is not ready for it. He has asked the City Clerk to postpone that item. He wanted to have this discussion today to determine...

Commissioner Becht said Mr. Recor needs to find one of the multiple swords that Mr. Ward fell on and use it. This Commissioner will not support a rate increase on Solid Waste in this environment. What Staff was instructed to do was to bring back options. If they have not had time to create the options, that is understandable, particularly since Mr. Hood inherited this two or three weeks ago. So he understands that. But they need other options other than this increase to balance this particular budget.

Commissioner Coke said she thinks their options were to use a different landfill, or to implement a program of recycling, or all kinds of things. She doesn't think the option from five of the Commissioners up here was ever to consider the pass-through of an increase. She doesn't think any of them said they would even think about it. Just so Mr. Hood knows. She knows he inherited it. But she thinks the option they were looking for was, could they save money by doing things differently? She doesn't think it was ever an option for any of them to pass through the rate increase.

Mayor Pro Tem Sessions said also one of the options was letting the County know they mean serious business, anticipating they would perhaps back off from this increase, given the participation the City gives toward their budget and their landfill. Maybe it is something the County is willing to back off of.

Commissioner Alexander asked the County balanced their budget including this rate increase, right?

Commissioner Becht said if he recalls correctly, it is a 28% increase in tipping fees. It is not an increase in taxes.

Mr. Hood said that is the County's rate increase. It amounts to about \$1.20 per residential customer. Let him suggest, they don't have to initiate this or start this right now. They can

take a look at their options and revisit this fee increase at some time during this coming fiscal year. His recommendation would be that they continue to look at their options, which they have not done yet. They did have an opportunity to go out and look at the landfill facility that is run by Waste Management, with whom they have a contract that could be resurrected. It is from 1992 and it still has a good number of years left on it.

City Manager Recor said he wants to explain to the Commission that he chose not to give them another revised budget document from last week because he didn't want to confuse anybody between drafts. When they come back on August 28th, it will reflect minus the 6.2% increase. But as they evaluate the options and get additional information, they can...

Commissioner Coke said they might be able to lower that to their taxpayers.

Mr. Recor said yes.

Mr. Hood said that is a good point. The more Staff gets into it and looks at some of these things, there might be some options that would very readily translate into some savings for the taxpayers or ratepayers. It is something they need to take a look at and it can be changed. Just to say they have to pay whatever fees are charged by the County in this case, it is not necessarily true.

Mayor Pro Tem Sessions said they have some representatives from Waste Management who are interested enough to be here today, so they better catch them before they leave.

Mr. Hood said Waste Management hosted staff yesterday. They answered all their questions, took them on a tour of the facility, and those types of things.

Commissioner Becht asked where is their facility?

Mr. Hood said going out Okeechobee Road, it is just this side of the City of Okeechobee.

Commissioner Becht asked is it in St. Lucie County?

Mr. Hood said no, it is in Okeechobee County, just right over the County line. It is that mountain there. They actually went up on top and it really was kind of interesting because they had 360 degree panoramic views. They could see a rain storm over here and it was sunny over there. He and Nick Mimms went out there. They were kind of in awe of how professionally it is run out there. It is really an amazing thing to see. Waste Management answered all their questions and they are going to be tapping them for additional information to see what they can do for their residents and taxpayers.

Commissioner Coke said she thinks Buzz Smyth came and talked to the Commission a little bit about turning the recycling program that the taxpayers pay for into a revenue generator. Are they going to be exploring that possibility?

Mr. Hood said they have a recycling program right now with pickup provided by another waste hauler. But everybody, including all the waste management companies he has ever spoken to, want to keep as much of the recyclable items out of their waste stream as they possibly can. It doesn't do any good to bury those items if they can sell them on the open market and get some money for them and to turn them into other products. Waste Management has a very progressive program on this, as do other potential haulers.

Commissioner Coke said she never has understood the concept of having to pay somebody to pick something up that they are going to sell and make money on.

Mr. Hood said sometimes that is the way they have to do it, because the volumes aren't there. But other times it is not and it actually will lower the cost. It just depends on how they are set up. Those are some of the options he would like the opportunity to explore in the coming weeks.

Commissioner Coke said she has all the confidence in the world in Mr. Hood.

Commissioner Becht said he has the same problem with Mr. Hood as he has with Mr. Ward - he is starting to be able to see through them, they are spread so thin.

Mr. Hood said moving on to the other increases/decreases. Under Expenditures they have reduced the number of employees by two. One is with the retirement of long time Solid Waste Director, Harold Hopkins. The other is one of the Sanitation Drivers. They are actually down two positions there, but one of those was a person who took the VSIP, who was a long time employee. He believes they are going to be allowed to rehire that position, they need that position for scheduling and rotation.

City Manager Recor said yes. The Enterprise Fund is different. They are going to be replacing the positions that separated as a result of the VSIP, with the exception of the Director's position.

Mr. Hood said the other large increase he was able to discern was in the General Administration Charge. He believes Ms. Johnson may have a better idea of that increase of \$120,000.

Ms. Gloria Johnson, Finance Director, said the \$120,000 General Administration Charge is for the services that General Fund will be providing to Solid Waste, such as Mr. Hood as Administrator and his assistants and any other workers he has that is going to help in Solid Waste.

City Manager Recor said the consolidation of Solid Waste into Public Works has allowed them the opportunity to move some of the administrative support staff. He doesn't think Mr. Hood has decided whether they will physically be moved; but certainly the responsibilities as a result of loss of positions in the Director's office and in the Administrative Division of Public

Works can be absorbed by the staff in Solid Waste. So whether or not it works out for the best that they are physically moved from Solid Waste over to Public Works... They are all within the same Compound, they would simply be within a different building. But they are picking up the additional responsibilities.

Mayor Pro Tem Sessions asked is Mr. Recor saying \$120,000-plus on this end will be a negative, but Public Works is pretty much...? Is that what he is saying? They substituted one for the other, so he takes it Public Works now will be a negative as far as administration is concerned.

Ms. Johnson said Mr. Hood and his staff is budgeted in the General Fund. They are going to be performing services for Solid Waste, so they are technically billing Solid Waste for... This is just an estimate, they don't really know what it is going to be, it is just a number they are coming up with, saying perhaps this is what it is going to cost Solid Waste additional for Public Works staff doing work. She thinks currently Mr. Hood has two workers already in Public Works that are doing services for Solid Waste.

Mr. Hood said without getting too technical on it, for a number of years they have administered the trash crew that picks up the trash from all the waste receptacles on City streets and in the parks. They administer that program for the Solid Waste Department; and they in turn transfer monies to the General Fund to pay for that effort. They might want to look at that and change that around. What he is going to suggest is that in the coming weeks not only are they going to have to rebuild with some of the losses they suffered in Public Works functions and come up with some creative ideas and methods of doing the job, but also look at some options they might have in the Solid Waste department. He might add that this is a charge-back system they will be doing. But there are no employees of Public Works that have made any gains whatsoever in compensation as a result of this merger.

City Manager Recor said he will tell the Commission what he has explained and told Mr. Hood; and that is, they are not going to front pay on consolidation, but they will absolutely revisit based on performance. He does not expect employees to take on new responsibilities as a result of consolidations for nothing; however, he wants to see results first. If the results are productive and as they expect, then there will be absolutely be consideration given to additional compensation. But let's do that in six months as opposed to up front without actually having any measurable increase.

Commissioner Coke asked instead of a flat raise just because a year rolls around, it would be a merit raise?

City Manager Recor said it is similar. He didn't think there would be any objection from the Commission to managing it in that manner.

Mr. Hood said the consolidation of administrative staff, Mr.

Recor has mentioned that it could be they stay in their respective areas. He doesn't know yet, because they haven't really been able to do an in-depth study of how that might work for them. But they are going to be down to very few people in their administrative staff for Public Works, so it might be that it is more effective to have everybody together, just answering the phones if nothing else.

Commissioner Coke said think about the Sunrise City Volunteer Corps.

Mr. Hood said he wakes up in the morning thinking about it.

City Manager Recor said he would like to invite Mr. Martzolf and talk about the **Indian Hills Golf Course**.

Mr. Greg Martzolf, Director of Indian Hills Golf Course, said he is very proud of what they have done in the last 18 months, both at the Golf Course and at the Community Center. He thinks with some of the enhancements to the Golf Course and some of the programs they have developed and some of the community involvement they have promoted, they are moving forward in a positive direction. He can echo what they all have heard way too many times - the economy. In the 20 years he has been in the golf business, he has never seen it this bad as far as how disposable income is being treated in the golf business. But he is happy to report that as bad as it is, he feels like they have kept the pain of the economy to a minimum. Last year they experienced 54,000 rounds, which was a record year for the golf facility. This year they are projected to come in just about 52,000 rounds, which is a small decrease. The problem with their golf activity is that the dollars per round are shrinking. People are playing at times that are discounted and they are not spending as much money when they are there. Obviously that reflects in the bottom line. With regard to the Community Center, a new enterprise for them, he is very proud of what they have developed down there and the activity they have down there. Right now it is mostly weekend business. But they are now starting to develop in-house and contracted programming, and that is their focus now as they move forward. The numbers they have in front of them now, the Changes at a Glance, he will cut right to the chase and let them know that projected financials for the upcoming year for the Golf Course and the Community Center reflect roughly a \$365,000 deficit. That \$365,000 deficit can be attributed to three areas. Number one is the initiation of the repayment to the General Fund of the original Golf Course debt. Number two is an operational deficit for the Community Center. And lastly, the least significant amount, is a small capital improvement outlay for the Golf Course. He believes they have the line items in front of them. He will be happy to answer any questions. Not to sound flip about it, but it is what it is, it is the economy. They are moving forward. In relation to other golf courses in the area, they are doing quite well.

Mayor Pro Tem Sessions said the Community Center, the new enterprise they have taken on, he had an opportunity to use it this weekend. It was well utilized and everybody over there was very professional. He doesn't know if he had Commissioner in

front of his name or what, but they were very nice to his family and everything. But it was his understanding from talking to those young ladies that they are booked up every weekend all the way up to the beginning of March.

Mr. Martzolf said he doesn't believe it is solid every weekend through March. He knows they are booked solid through the remainder of the fall. How they are through the holidays, he doesn't think they are as booked solid, but they are getting some nice bookings.

Mayor Pro Tem Sessions said that is just an indication to him that perhaps that is something else they need to entertain. He thinks a lot of it has to do with the fact that it is waterfront property. And that old Fire Station on Seaway Drive, sitting over there being used as a storage room for the Fire Department, he is talking to the City Commissioners who are on the Fire Board. Hopefully they can do something to give them an opportunity to perhaps open up another umbrella of a Community Center and they could utilize that place, because this Community Center is being well used. Just send the message over to the Fire Board.

Commissioner Becht said since Commissioner Sessions brought it up, he needs to report back to them that he brought it up to the Fire Board. Commissioner Alexander was at that meeting. He has his suspicions that the Fire Chief - who has a different vision for it that is probably correctly but myopically focused on what is best for the Fire District, not what is best for the community or what is best for Fort Pierce - made rounds with the other Commissioners on the Fire Board, but not Commissioner Alexander or himself, and they were set up, it was shut down real quick and real hard.

Commissioner Coke said she is going to talk about the Fire Department just for a minute because she has spoken with the Fire Chief, and although he has different kind of goals, she thinks there is a great possibility for a compromise and joint use there in the future. She wants to thank the Fire Chief publicly that just yesterday he agreed to allow the South Beach Association in conjunction with the Visiting Nurses Association to utilize the old Fire Station building to give out free flu shots on November 5th. It is the first step, but it is the right step. The Fire Chief has agreed to provide the tables, chairs, and ensure the air conditioning is on. They have talked about the possibility of some public education training classes but for citizens. She was very happy with the fact that the first time she asked him if the South Beach Association could utilize this building for public good, he responded quickly, promptly, and volunteered to assist them. Back to the Community Center and Golf Course, she doesn't know how much contact Mr. Martzolf has with Tom Colucci, Director of the Treasure Coast Sports Commission, but let her suggest to him that he contact them. She just came from a TDC (Tourist Development Council) meeting. They bring in all kinds of golf outings, although most of them of course end up at PGA. There is always got to be an overflow to that. They are currently working on something where they will go to three different islands in the Bahamas to play golf and then go to Fort Lauderdale, PGA, and Orlando. It is

going to put heads on beds, it is a worthwhile Tourist Development thing, it is a great part of the partnership they have. But she thinks if he could develop a good rapport with him, they might be able to catch some of the overflow, some of the practice rounds, because not everybody can play at the same time down there. So she thinks if they can get their name in that hat, they certainly have just as nice a golf course.

Mr. Martzolf said he will pursue everything.

Commissioner Alexander said when he just gave them an overview of the Golf Course and the Community Center. Can he separate that?

Mr. Martzolf said they have it separated, they contemplated that in the budget. As far as his oversight, he thinks of it as a business and he tries to run both as businesses. But they are separated on the budget.

City Manager Recor said the Community Center, the Recreation Division, has become an element of the Golf Course. If they will note under Revenues, they are seeing a transfer \$162,564 from the General Fund. That is to run the Community Center. It is accounted for and paid for through the General Fund, but with Mr. Martzolf's management and oversight through the Golf Course Enterprise.

Commissioner Coke said he liked Mr. Recor's other terminology much better - Recreation Division. City Manager Recor said certainly when that seed was planted, that was the intent, that this was something that was going to grow. Not this year necessarily. But it is something they obviously have proven they can take on and take on effectively, particularly under Mr. Martzolf's management.

Mr. Martzolf said this budget does not contemplate any conversations he has had with Mr. Ward about their future involvement with summer youth programs and year around youth programming, which is still ongoing.

Commissioner Coke said they found an extra \$14,500 earlier.

City Manager Recor said 52,000 rounds a year, it is a little down. Obviously they are not ready to take the next step yet, but they are also not ready to release this resource either, he doesn't think.

Commissioner Becht asked where is the payment to FEC Railway? Is the lease payment in here?

Ms. Gloria Johnson, Finance Director, said yes. It is under land lease.

City Manager Recor said it is Line Item 4420 on Page 82. It is \$28,000.

Commissioner Becht said he is not sure everyone up here understands, but there is about 30 or 40 acres of that golf

course they lease from FEC.

Mr. Martzolf said the southeast tip, yes.

Commissioner Becht asked do they have a long term lease with them? Is it a year to year lease? What is the deal there?

Ms. Johnson said she is not really sure how long the lease is. She really doesn't know. She will have to look it up.

Commissioner Becht said no criticism to Ms. Johnson, but Mr. Martzolf needs to know. There is 20 or 30 acres of the golf course that is subject to a lease. If the lease is not renewed or they triple the fees on the lease, FEC can cripple their Golf Course operation. So he needs him to know there is that vulnerability because they have considered at various times proposals for a clubhouse. He is very clear on the record before Mr. Martzolf arrived that the idea of investing several million dollars in a clubhouse on a golf course that the City doesn't control all the land to does not appeal to him. And there are a multitude of issues tied up with cleaning up their ownership of that land that are tied with other FEC relationships with the City all along the tracks. So it is not a simple issue, otherwise they would have solved it.

City Attorney Schwerer said the negotiations took place with FEC for the lease to the extent that those lease documents protect the City's interest, he can assure them. The issue was looked at during the course of the reconstruction of the golf course, about whether it would be less expensive to acquire a fee simple title to the properties versus the lease payments. He thinks there was an analysis done on that and it was determined the lease payments were the most cost-efficient way to go. They certainly have a good relationship with FEC. And this is certainly not in any way disrespectful of FEC or even to suggest they would resort to this, but if it ever became obvious that they were not receiving market rates for FEC's lease charges, the City does have the ability to acquire the property through legal means and pay fair value. This property is not part of FEC's main corridor. All of this was discussed. He just wants to put this Commission at ease that there are some agreements in place and there are some options they have to protect their investment out there.

Commissioner Becht said the current investment. His point is, before they drop another \$3.5 million or \$4 million for a clubhouse, he would like to get the ownership of the land cleared up.

Commissioner Coke said when their former City Manager proposed the clubhouse, it was like the Taj Mahal, and that is why it was \$3.5 million. She had the opportunity to go to Port St. Lucie's clubhouse which is, as far as she was concerned, an adequate building. It has a restaurant in it, outdoor seating. And she guarantees it didn't cost one-tenth of what was proposed to them initially. She thinks the reason for that was at the time they had all kinds of money, so they might as well do it right. That may be well and good; but if they do have money, there is no

sense in squandering it. If they can build something for one-tenth of the price that serves the purpose and brings the revenue into the Golf Course, then 10 or 15 years down the road if they want to expand or modify or upgrade, that is one thing. But there is no sense in looking at building that \$3.5 million clubhouse. She had to say that on the record because there will be headlines in the newspaper tomorrow - Commissioners contemplate \$3.5 million clubhouse.

City Manager Recor said he thinks he has had the conversation with each of the Commissioners, acknowledging Commissioner Coke's point. He thinks Mr. Martzolf agrees as well. They can certainly design one for significantly less money. Yes, there are certain things that they want to achieve in terms of alignment of the building, realignment of Ohio Avenue. They have accomplished those things with land swaps with Riverside Bank. He understands, the time is just not right. They will revisit that when the economic climate improves.

City Manager Recor said Mr. Wilkes will present the **Sunrise Theatre's** budget for Fiscal Year 2010.

Mr. John Wilkes, Executive Director of the Sunrise Theatre, said there are a lot of comments that he has heard in the two years he has been here operating the Sunrise Theatre as Executive Director. In this past year alone there are some things they may or may not have heard, which he would like to reiterate before they go into the budget discussion. In this past year and even with the economic issues they have been dealing with, not just the Sunrise Theatre but all of them, they have had a 45% increase in revenue and they have had a 35% increase in attendance over the past year. There is no other theatre in Florida that could make that statement. Did they hit their budget expectations in terms of revenue for ticket sales? No. But just the mere fact that they have had those increases in revenue and in attendance. If they break down the attendance, when they look at 33% increases coming from the Jensen Beach and Stuart area and like numbers in Vero Beach, where people he doesn't think traditionally had come in those numbers for a specific event maybe other than something like the Farmers Market. But they have been able to quantify that over the past year. Over the past two years they have had 100% increase in ticket sales and a much greater percentage than last year of 35% in attendance over two years. So he thinks the investment that was made was a good one. He thinks it is interesting having the perspective of sitting here and knowing there were three City Commissioners who came over to his office in Sarasota to look at the operation of the Van Wezel Performing Arts Hall as a city-owned and operated building and understanding there was an investment. That happened way back in 1970 and there was some things of growth and certainly investment by Sarasota to do that. It is an interesting thing that after the two years he has been here and understanding that really it is something he thinks of but most people don't when they look at reopening the Sunrise Theatre, that Fort Pierce really hadn't been known as a regional arts center. The Sunrise Theatre hasn't been a performing arts destination since Vaudeville days. So he thinks they are in that infancy, but he thinks they have done an awful

lot to bring forward the branding of not only the Sunrise Theatre, but also Fort Pierce. A comment that was made earlier which still may be resonating in their minds as they go forward talking about the Sunrise Theatre budget is the comment Jon Ward had made about the \$750,000 as the initial figure, which may not have been derived from a lot of research. Similar to the Black Box Theatre where \$500,000 was dedicated for a restaurant to equip it and build it out, the \$250,000 number was brought forward without any research and they have had to come back a couple of times. He thinks by establishing this year, saying here is what the number more realistically dedicating it to, they are not going to have to come back and retrace some of those steps again. Obviously their goal is to minimize and decrease that number every year. He is confident, certainly especially with ticket sales now, through numbers in the last three weeks were about \$240,000 in ticket sales already. They have now more members this year than last year and their dollars are up already. He thinks hopefully a trend that people are saying they want to come to Fort Pierce. Something he has really never done before in his career is go in front of every show and ask the questions - How many people are at the Sunrise Theatre for the first time and how many people are in Fort Pierce for the first time? It is always amazing to him. He thinks the feedback they are getting from a lot of people who have been here for many years, they like him to ask that question because they are always dumbfounded by the number of people who are in the audience for the first time. He thinks that goes back to a trend that they are working towards, not only to increase the attendance and revenue, but also the sponsorship by the City of Fort Pierce that is required from year to year. If they have any questions on his budget, please feel free.

Mayor Pro Tem Sessions said it is pretty straight forward.

Commissioner Becht asked are there any shows he wants to advertise?

Mr. Wilkes said this week they have the Missoula Children's Theatre, it is sold out. Actually the City Manager's daughters are in this production. It is going to be great. Kids are having a great time this week. That public performance will be on Friday. On Sunday they have the B-52's, one of only two dates here in the State of Florida. They have 900 tickets sold and will be sold out by Sunday. They also have all of their season shows for 2009-2010 booked to date. They will be adding a few more as they go along in the next couple of weeks. And if it makes practical sense, they will be adding more shows throughout the season. There is definitely other shows that will be added across the board in terms of diversity.

Mayor Pro Tem Sessions asked when is that Gospel group coming.

Mr. Wilkes said Mighty Clouds of Joy. That is a great show.

Mayor Pro Tem Sessions asked when is that?

Mr. Wilkes said September 18th.

City Manager Recor said Ms. Jenkins will talk about **CDBG** and **SHIP** allocations for Fiscal Year 2010, most of which they have already seen at the Commission level in terms of the plan and strategies. Now they will have an opportunity to ask more detailed questions as far as the budget goes. He would like to call the Commission's attention to Page 59 in the detail budget document. There is not a Changes at a Glance sheet for CDBG.

Ms. Dorina Jenkins, Assistant Director of Community Services, said as City Manager indicated, all of their plans come before the Commission for approval prior to them creating a budget. Over the last four years, they have had allocation of funding for approximately \$14 million, in which they have expended and closed out all of those funds for the various programs through their CDBG, their Hurricane Housing Recovery funding, their CDBG Disaster. They have had somewhat of a cutback this year as far as with their CDBG funding. They have been allocated \$688,570. Their SHIP allocation has been cut for the year. They are only receiving money for what they have just created called the FHOP, which is the Florida Housing Opportunity Program, in which they are receiving \$63,116. They are currently working on the funding they have been allocated for the Neighborhood Stabilization Program. It is not included in the budget because they don't have a signed contract yet. It is about \$2 million. They also put in an application for the Neighborhood Stabilization (Part 2) in which they applied for \$11 million. That is a competitive grant. They won't receive any information on that until October. This is their budget they have before the Commission. Do they have any questions?

Commissioner Alexander said he came to Ms. Jenkins with a dilemma with the public. He thought he would get some input on it. She did the best she could as far as he was concerned when she was speaking about the funds she received and how many restrictions there are and what she can and cannot do. They still have a community out there that is in a blight and slum area in Fort Pierce that can't get any assistance. He asked her, why couldn't there be some type of enterprise fund with the City of Fort Pierce? It never did grow from that point. If she could kind of enlighten him on her part, what could she do versus someone else? He really has a concern with it.

Ms. Jenkins said in response to the question Commissioner Alexander contacted her about, he had a concern about an applicant not being able to receive assistance through their program because she didn't have homeowner's insurance. She explained to him, all of the programs Community Services administers requires applicants to have homeowners insurance because they have contractors that go out and work on the homes, so they have to make sure the house is covered by insurance. That is a regulation that is state and federal required. Being the fact they only receive grant funding in that department, they have to follow the rules that are in place. Commissioner Alexander said he was trying to find some direction to go. He is thinking any individuals they send on other people's property, they should have their own insurance. But he is speaking of this 98 year old lady that they wanted to evict out of her house and it became a sponge ball to him because it

was not what they wanted to do. This lady only needed some sheetrock repair in her home. There is no assistance. He is talking about a 98 year old lady who owns her home and they couldn't do anything because she didn't have insurance. He asked if they had a fund where it could be done. That is why he goes back to their Weatherization Program, if they can put monies in there for the FPUA and they say they spent \$300,000 and can't or haven't shown him where it is proficient or efficient or what. He is asking because they have individuals in this economy now who can't put food on their table. He would be worrying about the health and safety of these individuals. This lady can't eat. He is not talking about rebuilding her home. He is just talking about some basic work.

Ms. Jenkins said if they had funding that was non-grant that they could leverage when they come to a situation like that, she doesn't see it being a problem implementing it into their current programs. But right now with them only receiving the funds they are receiving, they have to follow the Federal and State rules that are in place.

Commissioner Alexander said that is why he tried to put it in the City Manager's hands, but he didn't grab it as he was trying to express it. He can't say things but one way. It is the blight and slum area of Fort Pierce that is going to continue to be blight and slum until they go into that community and make some changes. He is not asking anyone to give handouts, but somewhere in this life they ought to be compassionate enough to know that they cannot do it if they don't have the revenue or funds to do it. They as a City couldn't do certain things if they didn't get grants and so forth. Think about the average human being trying to survive in this world, they all can't do it by themselves, not all of them. They are capable and able, but not everybody is. He thought with this \$35 million budget, they can find a few dollars to help someone. Maybe it is just him, but he is still going to speak his piece about it.

City Manager Recor said he thought they had a very good conversation. What he told him yesterday was that today is the appropriate day to bring it up. He knows exactly what he is trying to accomplish. He thinks Ms. Jenkins just acknowledged and said the same thing he did yesterday; and that is, if they identify some supplemental funding that doesn't come with the strings of the federal and state dollars... The specific example they discussed, the property owner owns her home outright, there is no mortgage. She wouldn't necessarily have to have the same insurance that comes along with the administration of those federal and state dollars. What he needs to hear is that three Commissioners want Staff to identify x-number of dollars and from what source. Do they want it to come from General Fund or from the Redevelopment Agency? There is much more demand than they have resources for. If this is a priority and they would like to move forward with it, he will absolutely make it happen. He understands what Commissioner Alexander wants to accomplish.

Commissioner Coke said over the years they have talked but never really set a clear policy that maybe what they should be doing

is, when they collect some code enforcement liens, have part of that money go into a pot to help this kind of situation. They talked about it, but they never actually took action on it. She is wondering if they could schedule it for a Commission Agenda item and set a policy where 25% or 50% of the liens that are collected for fines and whatever goes into an emergency fund. It is her understanding it might be cheaper to take that emergency fund and pay for six months worth of homeowners insurance for this woman and then allow the grant money to kick into place, rather than to pay for the repair job. But if they have an emergency fund that assists in hardship cases, it will be the same thing as they had originally with the FPRA, they will have to decide what they will fund, what they won't fund, what the parameters are, how many times people can ask for assistance. Commissioner Alexander is right, there are going to be emergencies. When they are talking about elderly people or young people, they need to have something separate put aside where they can help these people. She thinks they need to have that discussion and finally, after all the years saying maybe they should, set a policy on it.

Ms. Jenkins said paying for homeowners insurance is an eligible cost. They can create a strategy for that. The only problem they run into, because they can only pay for it up to three years, is the homeowner maintaining it.

Commissioner Coke said but here they really don't need to do that, because if they paid it for a year, they could have then applied for the other grant and had the repair work done, which is what they needed to do. So she doesn't think Commissioner Alexander was given that information that the lady could apply for a grant for the homeowners insurance first and second for the repair work, and that would have resolved the issue.

Ms. Jenkins said no, it is not a strategy that is in their current plan. They would have to create the strategy and bring it back to the Commission for approval in order to move forth doing that. The problems they have run into before...

Commissioner Coke said she doesn't know that is a strategy they want on an every day basis. But there are emergency situations. They are talking about somebody in their 90's. She hopes somebody helps her out when she hits that age.

City Manager Recor asked is that something three Commissioners would like for them to focus on in the next few weeks when they come back to them with Draft #3?

Commissioner Becht said he is not sure he understands the question. Maybe he can answer Mr. Recor's question, if he can get an answer to his question. Where is the revenue stream from the mortgages that the City holds going? Where is that revenue stream reflected in this budget?

Ms. Gloria Johnson, Director of Finance, said this budget only contains the actual expenditures and revenues that have been approved by HUD and the State for this current fiscal year. At the end of every year they have to do a report to HUD on their

program income.

Commissioner Becht asked is it not reflected in here?

Ms. Johnson said it is not reflected in here.

Commissioner Coke asked is it reflected anywhere?

Ms. Johnson said it is not reflected in this budget.

Commissioner Becht said so there is a revenue stream that is coming in that is not being spent.

Ms. Jenkins said it has to be utilized in the current strategies they have, but it is not being spent at this time.

Commissioner Becht said the budget is balanced. It doesn't account for that revenue stream. So they have revenue coming in that is not allocated.

City Manager Recor said on an amortized basis, yes.

Commissioner Becht asked yes, he is right? Or yes, it is allocated?

City Manager Recor said it is coming in, but it is coming in monthly payments.

Commissioner Becht asked if he needs \$1,800 for something and he has eleven mortgages that are...?

City Manager Recor said he was thinking \$25,000 as a supplemental appropriation.

Commissioner Becht said this is the appropriate time in budget talks to talk about a revenue stream that Staff hasn't presented him with where he can spend it. So what is Staff's best guess to the nearest \$10,000, how much money is he going to have coming in? He knows it is restricted. How much money is he going to have coming in on these homes in this fiscal cycle? Eleven homes were sold, right?

Ms. Jenkins said they have a variety of loans, not just those homes, because all of their programs are either grant and deferred liens. They have a variety of payments that are coming in monthly. It is not just on those homes.

Commissioner Becht asked is that revenue stream reflected in this budget?

Ms. Jenkins said no.

Commissioner Becht said he needs that budget.

City Manager Recor said it is not a lot.

Commissioner Becht asked the limitation Ms. Jenkins just said, is it The Oaks?

City Manager Recor said yes.

Commissioner Becht said Ms. Jenkins is saying there is a whole revenue stream that they are spending, but it is not showing in this packet.

Commissioner Coke asked where does that money go? Is it a special line item some place?

Commissioner Becht said there is a revenue stream that the Commission is supposed to decide how it is allocated. They probably are via the programs they have them approve.

City Manager Recor said right, when the plans come to them.

Commissioner Becht said but there is a revenue stream that he is not seeing here.

City Manager Recor said they just got in the mortgage business this year. This is a very new endeavor for the City.

Commissioner Becht said don't remind him please, that one kind of snuck up on him. But there is a revenue stream that may fund a bunch of different things. There are restrictions on that revenue stream?

Ms. Jenkins said correct, and what is regenerated back into the current programs that they already have in place.

Commissioner Becht asked so her expectation is that revenue stream would go according to the allocations and programs they have already approved at the various meetings during the year?

Ms. Jenkins said correct.

City Manager Recor said based on the amortization schedule, he would say it is less than \$5,000 a year that they are recouping. Does Ms. Johnson think that is a safe estimate?

Ms. Johnson said she guesses they haven't really computed it yet. She can have it at the next budget workshop.

Commissioner Becht said Ms. Jenkins answered his question which is, it is not accounted for in here, but it is accounted in the various CDBG programs they approve during the year. He is troubled by, they have an income stream coming in and she says that money is restricted. But the City owns those mortgages, not the Federal government any more.

Ms. Jenkins said it is the State government that actually paid for the houses to be constructed.

Commissioner Becht said he hears her. But the money coming back in is on a mortgage the City holds, not a mortgage the State holds. Is Ms. Jenkins 100% positive they have these restrictions on this money?

Ms. Jenkins said yes, they have to regenerate the funding back into the current programs they already have in place.

City Manager Recor asked would they like a report on the revenue stream?

Commissioner Coke asked don't they also have SHIP mortgages they have revenue?

Ms. Jenkins said yes.

Commissioner Coke said she is with Commissioner Becht. If they use the State's money to build the house and then these people took out a mortgage through the City...

Ms. Jenkins said no, they took out the mortgage with the State money. The mortgage is with the State money that built the house.

Commissioner Coke asked is anybody getting this? The house cost at least \$100,000 to build. The State paid for the house to be built. The City lends the people \$100,000 to buy the house.

Ms. Jenkins said no. The money the State gave to build the house is what the people are paying back. The City didn't lend them money up front. It is the money that was utilized to build the houses is what they are paying back.

City Manager Recor said the City is administering the money the State gave them.

Commissioner Becht said that is not true. Do they have any obligation to pay the State back the money?

Ms. Jenkins said no. They just have to regenerate it back into the current programs.

Commissioner Becht said so they are not administering money. However they want to characterize it, the City got a batch of money, they built some houses, and they got mortgages back when they transferred the houses to other people. This is all good, it is a great program, except for the part where the City is holding the mortgages instead of the private sector holding the mortgages. So if the City is holding the mortgage, what is their obligation to the State?

Ms. Jenkins said to regenerate the money, using the funds for income eligible applicants.

Commissioner Becht said so that money still has State restrictions on it, so they can't use it for the purpose Commissioner Alexander was suggesting, because it still has the State restrictions on it.

Ms. Jenkins said correct.

Commissioner Alexander asked what if those properties come into default?

Ms. Jenkins said they will have to deal with it at that time. They hope these don't come into default. But it has the clause in there, they have to follow the same procedures as...

Commissioner Alexander asked the mortgage to be paid will be paid from other monies coming in from other programs they have available? Or that would be something altogether different?

Commissioner Becht said the City owns the houses.

City Manager Recor said if someone were to default, they would foreclose as any private bank would, and then they would put another income eligible applicant into the home.

Commissioner Alexander asked then that money folds right back into the same cycle?

City Manager Recor said yes. Obviously this is new for staff as well. They are going to provide reports to the Commission because a number of them have inquired. They can tell them that in the first month every payment was made in The Oaks.

Commissioner Becht said he finally got it clear in his head. There is a revenue stream that the Community Services Department is receiving that is not in this packet. When getting the budget they are approving from this day forward, he thinks at least three of them up here are going to want that money accounted for. They may account for it during the year, but he thinks it needs to be accounted for annually when they go through the annual budget even though it is not part of it.

City Manager Recor said Staff should provide them some sort of financial report at least quarterly as well on the status of the outstanding loans and mortgages they have.

Commissioner Becht said he thinks Commissioner Coke said she scheduled this for discussion on Monday night and he is happy that she has, because they have had some discussions, but it has not been shared with everybody else. Is he alone here?

Commissioner Coke said no, because that way they could see monthly.

Commissioner Becht said at the next Budget Workshop they will have an accounting of all of the other revenue that is coming into CDBG that is not reflected in this annual budget. He would like to have it with the projection of where it is going to be spent next year.

Ms. Jenkins said they met with the Finance Director and decided they were going to do quarterly reporting. What she can do is provide a list of all the eligible activities and the Commission can make a decision as to how they want to have the money allocated once they receive the funding, if they want to do it on a monthly basis or quarterly basis.

City Manager Recor said but it is going to go to the same strategies they have already accepted.

Commissioner Becht said he understands that. But that was strategies and some of it was hypothetical. This is not hypothetical. They have projected SHIP income coming in, they have projected mortgage income coming in, and all the other things she is going to tell them aren't reflected in this budget. He thought it was reflected in the budget. For six years he didn't know that was not captured in the budget.

City Manager Recor asked so program income does not include that?

Ms. Johnson said in the CDBG grant, the program income is included in the grant. They have to do it when they get their statements that come in. Program income is budgeted in there. They estimate how much they think they are going to get in from the loans.

Commissioner Becht said Ms. Johnson is telling him it is in here now. Ms. Jenkins was saying it isn't in here.

Ms. Johnson said for CDBG it is.

Ms. Jenkins said these payments are for SHIP and HHR funds for The Oaks. They have very few loans for CDBG. The majority of their loans is through SHIP and HHR.

Commissioner Becht said but there is a revenue stream that is City money that...

City Manager Recor said they need to identify program income from different sources, from HHR and from SHIP, as they do with CDBG.

Commissioner Becht asked why didn't they do that? He has been here six years and this is the first time he didn't know it wasn't accounted for. That is the way it is. Is she going to be able by the next Budget Workshop give them her budget for those monies within the programs they have already approved?

Ms. Jenkins said yes.

City Manager Recor said in response to Commissioner Alexander's suggestion, they will try to identify some supplemental resources for applicants that don't necessarily meet the eligibility requirements for any of the established programs they have, and put the Commission in charge of administering those dollars.

Commissioner Becht said correctly they administer those dollars because they approve these programs. Staff brings them the programs throughout the year, it is almost like every other meeting Community Services has a program they are asking the Commission to approve. He is comfortable they have controlled how it is being spent. What he is not comfortable with is there is not a budget for it next year for anticipated revenues. It should be in the form of a budget.

City Manager Recor said they will wrap up with **Building & Code Department**. This is the first year they have accounted for their Building & Code Department - Permitting and Inspections. Code Enforcement is a separate division. The State Statutes require that it be accounted for separately and outside of the General Fund. This is the first year they have removed it and are reporting it separately. There is a Changes at a Glance sheet that shows where reductions have occurred in both the revenues and expenditures.

Mr. Marc Meyers, Building Official, said the State Statute requires that all fees that are collected for building permits and inspections are used to enforce the Florida Building Code. These fees can't be used for anything else. The Building Department has paid for itself over the last five years up until this budget year of 2009, which is the worst year in the last 50 years in the construction industry. It was based on big projects coming in. Just for information, in the comparable time last year to this year, they have issued to date more building permits than last year. Where they are hurting is the large projects - for example, the Target and the shopping center that goes with it - to make their budget. It does appear that they are beginning to recover. April, May, June, and July were good, not great, but much better than the first half of the year. To be frank, he has already lost two people to retirement this current year. If he loses four more trained personnel - the Certified Building Inspector and three trained Permit Specialists - it is going to be devastating. They have trimmed the fat over the last five years, they have cut the meat off the bone, and they are down to the bear bones now. If they start cutting into the bone, they are going to cripple the operation. They are going to be back to where they were five years ago with people not being able to get permits, people waiting a week for inspections. They simply will not have the personnel. Commissioner Alexander asked Mr. Meyers is not trying to use scare tactic on them, is he?

Mr. Meyers said yes, he is.

Commissioner Alexander said he doesn't think it is going to work. He is looking at the adopted budget for 2009. Mr. Meyers had 17 employees. Mr. Recor is saying he will now have 11 employees.

Mr. Meyers said yes.

Commissioner Alexander asked is he telling him he cannot run his Department with 11 employees?

Mr. Meyers said he can run it with 11 employees, but the public is going to suffer.

Commissioner Alexander asked has Mr. Recor considered that?

City Manager Recor said yes, he absolutely considered that. But he also considered that now that they are accounting for the Building & Code Department as a separate enterprise or separate fund, the impact that the difference between their revenues and

expenditures has on the General Fund. Saying he is losing 6 employees is somewhat misleading, because 2 of those positions were frozen. There are 4 layoffs proposed in this Department. So Mr. Meyers has been operating with 15 employees. In reality he will only be operating with 4 less employees. But there will certainly be an impact.

Commissioner Alexander asked 2 have already left and he is still saying he can't operate like that? When he is looking at the proposed budget, there is like \$750,000 in revenues projected and in actuality it is going to be...

City Manager Recor said the projected revenue was off considerably. If they recall early on in their Quarterly Reports in the current fiscal year...

Commissioner Becht said considerably would be \$1 million off.

Commissioner Alexander asked what were the employees doing then?

City Manager Recor said there was the same number of employees in the Department at that time.

Commissioner Alexander asked with a \$1 million shortfall?

City Manager Recor said in revenue, yes.

Mr. Meyers said again, they have issued more permits this year than they did last year. It is the revenue that is off.

Commissioner Coke said she doesn't understand. They have recently revamped permits, they have recently decided to charge for re-inspections, they have recently decided to raise the fees for applications, they increased automation. So how is it they can have more permits, unless they are giving them away, and not be generating the revenue to cover the Department? That is one of her concerns. Her second concern is, is it his Department that is undergoing the big project where they are scanning all the plans?

Mr. Meyers said yes.

Commissioner Coke said she is the last one who wants to see anybody laid off around here. But the bottom line is, in the budget when they are looking at minus 6 employees, they are also looking at plus \$30,000 in computer and software maintenance, plus \$24,000 administration, plus \$20,000 in legal fees. So part of that has to be going to all this wonderful automation which is a great thing.

Mr. Meyers said no, that is an administrative charge that they were never charged before. Now that they are an Enterprise Fund...

Commissioner Coke asked so they have all those people over there scanning all the past plans and permits and everything else, which is a wonderful thing, and that is costing them nothing? They had the software to do it all along?

Mr. Meyers said at the end of last year they were directed by the Commission to improve technology. They spent \$100,000 at the end of last year to implement a phone system where people can call their inspections in over the telephone. That took eight months to get implemented. It started in May. It took a lot of man hours from MIS and from the Building Department to get that system up and running. It has dropped their phone calls by about 20% over the first three months of it working. They also are supposed to implement an internet module where people can come in over the internet. They are working with MIS to get that implemented. But it takes a lot of manpower to implement these programs. So they are working at implementing technology. It has taken them thousands of dollars. They got Work Force Solution people at no cost to scan. They scanned over 30,000 documents. That has just touched the surface.

Commissioner Coke said she is not going to get into that in particular, if going back all those years is the best use of their time, if they shouldn't be looking to move forward. Her other concern is, contractors have the option to call for an outside inspection and they just pay the outside inspector to do the job rather than the City. So if they are diminishing the Department in these troubled times - not that it is her choice, but they have to make cuts all over the place - then why can't they just establish a list of the licensed inspectors, and when people call in, they can tell them they need to call so and so, this is their fee, and they can set up their inspection? It wouldn't slow anybody down.

Mr. Meyers said they can't do that by State Statute.

Commissioner Coke said Harbour Isle had their own inspector, they hired a company to do their own inspections on the buildings. So why is it they can't do that?

Mr. Meyers said the Building Department has jurisdiction and is still responsible and has to oversee that.

Commissioner Coke asked if they were overseeing it, how did so many things go wrong over there? How did the water get hooked up without meters? How did all these other things happen?

Mr. Meyers said that has nothing to do with the Building Department.

City Manager Recor said one of the advantages of setting up the Building Fund the way they have is that when economic conditions improve and the resources are available, so can the additional expenditures and the staffing can be restored. But the staffing that is proposed for reduction in the Building Department as a result of the economic conditions are at the clerk level. The clerks have very little decision-making authority. Does that mean that the public is not going to be affected? No. But that means that the public may have to wait for their turn to be served by one of the permit technicians who will be available to accept their permit.

Commissioner Becht said they have a bigger problem. For some reason he didn't catch last year that they had budgeted this at \$1.2 million, when they didn't even have \$1 million the year before. So when he looks in the Budget on Page 90, he needs to ask Mr. Meyers... He doesn't want decreased service, but they have to do something different. There was an obvious decline from the 2006-2007 Fiscal Year where they were at \$1.3 million roughly and in 2007-2008 they fell to \$966,000. Then unfortunately they adopted \$1.2 million for this year, yet somebody has projected for the year end \$379,800 for 2008-2009.

Mr. Meyers said he thinks he is looking at Draft #1 perhaps.

Commissioner Becht said he is on Page 90 of Draft #2.

Ms. Johnson said when they came up with these projections, they were on Draft #1. There may have been some changes since then.

Commissioner Becht said please don't tell him that.

Ms. Johnson said no, she is not saying there are changes. It is projections. They are projecting. She thinks Mr. Meyers had some additional revenues that came in over the last month that they didn't anticipate.

City Manager Recor said they are not going to make the same mistake in this proposed budget as they have in the past by overestimating or overprojecting their revenues to justify expenditures.

Commissioner Coke said but they are, because Commissioner Becht is showing them that they are proposing \$459,900 for next year.

City Manager Recor said what they have heard from Mr. Meyers, and the answer to the first question, is the reason why they had more permits is that these are the smaller miscellaneous permits.

Commissioner Becht said he needs to finish his point. His point is, the information they have given him, the information he has in front of him that he is supposed to make a decision on, it shows \$380,800 projected for this Department in 2008-2009.

Mr. Meyers asked can he clarify that?

Commissioner Becht said the Total Licenses & Permits shows \$576,900. And they are proposing \$750,000 for 2009-2010, which is \$200,000 more next year than what Mr. Meyers says they are going to get this year. Where does his optimism come from? Where does he come up with this crystal ball that says they are going to have \$200,000 more in Licenses & Permits next year?

Mr. Meyers said he saw it going flat in July 2008.

Commissioner Becht said no, he did not; because if he had, he would have laid people off. Nobody laid people off. With \$1 million shortfall, if Mr. Meyers saw it coming, somebody dropped the ball.

Mr. Meyers said these projected numbers, he did not provide.

Commissioner Becht said he doesn't want to fuss with Mr. Meyers, but this is the budget for his Department, he saw the numbers. If he didn't like the numbers, he could have brought it to their attention, he could have corrected the numbers. He wants to point out that Staff is making projections that he thinks are unrealistic. How they fix it, he doesn't know how they fix it. He takes to heart Mr. Meyers point that if he does not have an effective Building Department, he cannot effectively approve the projects that will re-create this community. Because it is precisely those construction jobs that, if delayed six weeks, that is six weeks a carpenter or an electrician is unemployed and his family isn't fed and the mortgage isn't paid. So this Department is critical in efficiency. What he has heard lately - and whether it is perception or reality, he has to deal with the perception - is that because business is so slow, his guys are hypercritical with everything they see. So something that when they were busy they would have said they know the contractor is going to take care of it and fix it, now his people have nothing to do on Thursday, so he will cite the contractor today and come back on Thursday and do something on Thursday. That is the perception that is out there right now.

Mr. Meyers said that perception, he is pretty sure he knows who that perception is, and that is one individual.

Commissioner Becht said he gets dozens of calls on this.

Mr. Meyers said he has a stack of how good they are doing. They have developers and contractors sending letters, and some have been read here before the Commissioners, about how they have turned this thing around.

Commissioner Becht said he has seen the letters. It is better. Mr. Meyers deserves kudos for it being better. But it is not one particular contractor. Yes, there is that one. He knows who it is and he knows who Mr. Meyers is talking about. He discounts all the rhetoric he gets from him. He has talked to him and asked what has he done to fix the problem? Mr. Meyers knows how that conversation went. But there are other legitimate contractors, who don't want to break a relationship with Mr. Meyers, who are saying they are getting hypercritical inspections because they are in a slow period.

Mr. Meyers said that is not true. Their inspections have not dropped off.

Commissioner Becht said it is true that he is getting those comments, and he is getting those comments from more than one contractor.

Mr. Meyers said he is not getting those comments.

Commissioner Alexander said he is getting them.

Mr. Meyers said then please have them call him.

City Manager Recor said when he went through the budget and identified how they would balance the General Fund and the reductions that were necessary to minimize the General Fund transfer to support the Building Enterprise, he tried to minimize the impact. But knowing that any reduction was going to have an impact, the reductions that have occurred in the Building & Code Department are at the lowest possible level in the Department. So at worst, the impact is going to be that someone may have to wait for an available clerk to file their permit. These positions are not making decisions, they are not reviewing plans. Yes, there is one inspector position proposed for layoff. The three other positions are Permit Specialists, they are the intake. Mr. Meyers will tell them himself that when the Building Department accepts a building permit, they are farming that out to all the rest of the departments. The review is actually taking place...

Commissioner Becht said let's talk about the nuts and bolts. Does he have a tracking mechanism where he can give them an accounting of the applications made, when it is complete, and it takes this many days to get it kicked out? Is there tracking for that?

Mr. Meyers said yes, they do.

Commissioner Becht said he would like to see the tracking so he can refute what these contractors are telling him - that there is this delay, that the hypercritical thing is out there. But in his opinion, Mr. Meyers has a \$200,000 shortfall in a department that he is telling him he is already at critical mass.

City Manager Recor said he thinks the year end revenue projection has improved since Draft #2 was prepared.

Commissioner Becht said this shows a \$576,900 projection. In order to get up to \$750,000, that is a \$200,000 increase, which is roughly a 40% increase in the last two months.

Ms. Johnson said the major reason is perhaps other permit fees. Maybe Mr. Meyers could explain that one.

Commissioner Becht said he doesn't want it explained. He wants to see it in print. Apparently he doesn't have the information Staff had as they put the budget together. He kind of resents that.

Commissioner Coke asked can somebody tell her why the General Fund is transferring \$152,515 to the Building & Code Department, proposed 2009-2010?

City Manager Recor said that is the difference between their revenues now as an enterprise and their proposed expenditures. If they want to increase the expenditures, that transfer increases proportionately.

Commissioner Coke asked in other words, with the budget cuts

they have made it still is \$150,000 over, so they have to take \$150,000 from the General Fund?

City Manager Recor said that is correct. And to make that even more exacerbated, if they follow Commissioner Becht's theory, they add another \$200,000 to that because they have over-projected their revenues.

Commissioner Alexander asked that is coming from the General Fund too?

Commissioner Coke said actually when they look at the bottom line, they have Projected Total Resources of \$638,900 this year and \$902,500 for next year, by the time they add everything in.

City Manager Recor said that includes the General Fund transfer though. He can see they are a bit frustrated here. It might be a good time to conclude the discussion today. Staff will follow up with more accurate revenue projections for the current fiscal year to give them some better comfort.

Commissioner Becht said they can't ask him to approve a budget when he doesn't have the same information they have.

Commissioner Coke said that is not fair.

City Manager Recor said he doesn't want the Commissioner to think they haven't given him information. He is just trying to offer an explanation as to why that may be the case. He hasn't seen a number.

Commissioner Becht said Mr. Meyers has seen it. If he has been sharper with Mr. Meyers than anybody else, it is because it is the end of the day and he is tired. But the Planning Department and the Building Department have the ability to accelerate a recovery more so than almost any other department in the City. And if the permitting lags by a week because Mr. Meyers doesn't have enough people or because he doesn't have the technology or for whatever reason, then it delays the recovery of this community. So he is worried that this Department is underfunded because they have over-projected his revenues. But the idea of having to transfer \$350,000 so Mr. Meyers can have a Department he thinks isn't enough, something is wrong with that picture. Didn't they just revisit the fees for that Department?

Mr. Meyers said that has not been implemented yet.

Commissioner Becht asked what does he mean those are not implemented yet? Have they not approved them?

Commissioner Coke asked why not?

Mr. Meyers said it has not been before the Commission yet.

City Manager Recor said it has gone to the Treasure Coast Builders Association and the Chamber of Commerce.

Commissioner Becht said then they should have a little asterisk there that this at pre-raised fees. Because his projections are

based on the fees as they are or the fees as they will be?

Mr. Meyers said as they are. Again, these are projections. They are projecting that the last four months they have seen the start of a recovery.

Commissioner Becht said he hopes he is right.

Mr. Meyers said he does too. One Target puts them back in the ballgame. If that comes through in the next 18 months, they are okay.

Commissioner Coke said this budget is for the next 12 months.

Mr. Meyers said starting in October.

Commissioner Becht said no, this budget is for the next two weeks, because this crappy budget is going to be fixed before they have another workshop.

City Manager Recor said there absolutely needs to be reductions in this Department.

Commissioner Becht said okay.

Commissioner Coke asked can they also have the information...? Maybe she really doesn't understand as well as she should, but she is not a professional builder or building inspector. But she has been told that contractors have the ability to hire their own inspector as long as it is a certified inspector. The inspections are done in their own time frame and it can be submitted and it is just the same as the City doing the inspection. So rather than get into an argument with Mr. Meyers, because it is late and she doesn't want to be short, she would like to know if that is a possibility? And if so, why is it that they can't just provide that list of people? Number two, when they are looking at the list of employees, Mr. Meyers is saying 6 less than last year, 2 were vacant, so they need a notation of which 2 were vacant on there. Number three, if they could have a complete job description, not just the title, because Permit Specialist sounds to her like somebody who does a lot with permitting. What she is hearing here is, that is somebody who sits there and takes the permit application in and distributes it. So she needs way more information on here. The truth is, she is way more inclined to say they can't transfer \$150,000 to there, so not only do they have to make these cuts, but they have to make more cuts. She is not a professional at it. She needs somebody to give her all the details and the information so she can make an intelligent informed decision. She can look dumb all by herself. She doesn't need help.

Commissioner Becht said as a followup to that, if Mr. Meyers could give them his projections for fee income for next year based on the assumption that they are going to approve the ordinance. He thought they had voted on it. Is it up for a second reading?

City Clerk Steele said that was the Planning Department's revised permit fees. The Building Department permit fee

ordinance has not come in front of the Commission yet. It is still being reviewed.

Mr. Meyers said it is being reviewed by the Legal Department.

Commissioner Becht said they will need the public to review it as well. But Mr. Meyers made the proposals. If he could put an asterisk, if they adopt it as he proposed, because that is going to close this \$150,000 gap if they proceed and adopt it. Then he will know when they get to his ordinance what it would mean to close that \$150,000 gap which he thinks is \$350,000 gap. That would help him.

City Manager Recor said he is sorry they ended on somewhat of a negative note. He thinks they made very good progress over the last two Budget Workshops. Staff will clarify and on August 28th simply recap and present them with Draft #3. They will follow up with all the additional information the Commission has requested.

Commissioner Alexander said he doesn't think it is a negative. He just thinks they have some concerns that they are not going to be just told anything.

City Manager Recor said he understands.

Mr. Meyers said if they have complaints, please forward those to him. They know he will address them.

Commissioner Coke said a lot of these people don't want to get into an argument or they don't want to have that discussion with Mr. Meyers, they just want him to be aware.

Commissioner Becht said the one Mr. Meyers was talking about, he went over there and thought he could calm things down and thought he could expose him or confront him with... This person was making these complaints and yelling all over town about this. Some of what he was talking about may be legitimate, but not all of it. They did narrow it down for what he was talking about and it wasn't worth bothering Mr. Meyers with the rest of it.

City Manager Recor said their next Budget Workshop is on August 28th.

There being no further business, the Budget Workshop was adjourned at 5:15 p.m.

Adjournment.

ATTEST:

CITY CLERK

MAYOR COMMISSIONER