

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 9:00 A.M. ON THURSDAY, AUGUST 28, 2008.

Those present were: Mayor Benton; Commissioners Edward Becht and Reginald Sessions. Those absent: Commissioners Rufus Alexander and Christine Coke. (Commissioner Coke arrived at 9:15 a.m.)

City Manager Beach said this is hopefully their final Budget Workshop. To start off, he wanted to go through the agenda. They will be going through a review and discussion of their final draft between now and whatever time frame it takes to get the Commission comfortable with that. They allocated an hour and a half to work on the Fort Pierce Redevelopment Agency budget in that they have changed the format of that to some extent and they want to walk the Commission through that in some detail. There are a couple of issues related to Solid Waste and other matters that the Commission had brought up earlier. Before they start the discussion of the General Fund budget, they have in front of them a memorandum from him relating to Standard & Poor's Credit Rating announcement for the City of Fort Pierce. They may or may not be aware, but there are two rating agencies - Moody's and Standard & Poor's. Fort Pierce has been rated by Moody's for some time. And in their recent journey to New York City, they went to Standard & Poor's and presented all of their financial information and data to them and asked them for a rating. The information attached to that memorandum shows the results of that meeting. Standard & Poor's has given the City an A-plus credit rating. He points that out because if they will recall in their last election cycle there was a tremendous amount of discussion about the financial instability of the City. He will make this information available to whomever wants it. It outlines their reasoning and what they were thinking and how they made this determination about the creditworthiness of the City. He would encourage all of them to become very familiar with it and have it available when they have to have those discussions with their constituents and with other people about Fort Pierce's financial circumstances. It is very helpful information.

Mayor Benton said in other words, financially Fort Pierce is sitting very solid, unlike some of the rumors out there. Like they have been for the last twelve or fifteen years, they are doing very well financially.

City Manager Beach said that is correct. He is going to turn it over to Mr. Recor to guide them through their budget discussion.

Mr. David Recor, Deputy City Manager, said they are going to start with the General Fund this morning. At their last Budget Workshop on August 12, 2008, they gave staff some specific feedback in areas that they wanted them to take another look at. They asked staff to look at the Humane Society, the fees they are currently charging, and look at the fees that are being charged in other communities. The Commission asked them to look at the resources in the Public Works Department and add additional resources there. The Commission asked them to look at the utilities, specifically the utilities that were charged to the Public Works budget, and asked staff to redistribute those proportionately throughout the organization. They also asked them to look at the funding of replacement capital, specifically vehicles for the Police Department and equipment in Public Works. There were some other issues that staff knew needed to be addressed as well. The City Attorney had determined that the payment for demolition and lot clearing that had previously been funded by the Fort Perce Redevelopment Agency was not an eligible expense and those expenses had not been budgeted in either the Building Department or Code Enforcement Divisions. Those issues were addressed in Draft No. 4 as well. The first slide shows that the proposed General Fund Budget is \$40,139,481. He is sure it has not escaped them that is the same total that it was for Draft No. 3. They are probably wondering if staff addressed everything that they asked them to do, how did they do that? They did that by reallocating the resources and reprioritizing the expenditures. The first way they did that was the City Manager's early retirement proposal provided them an opportunity to restructure the City Manager's office. Apparently there was some confusion during consideration of the City Manager's early retirement proposal. The City Manager never proposed to eliminate the Deputy City Manager position as part of his retirement proposal.

It was the Deputy City Manager who said he could assume the responsibilities of the City Manager without a Deputy City Manager, i.e. there is where the savings were. So the current construct of the budget restructures the City Manager's office by eliminating two positions currently. They will see in the table that there is only one executive management position funded and one administrative assistant position has been eliminated. So they have reduced the City Manager's office in Draft No. 4 by two positions. Those result in immediate savings of over \$189,000. As of October 1st, they are realizing a savings of over \$189,000 at funding of only one executive management position. They have also reduced the operating expenses in the City Manager's office by \$6,200. One other point he wants to make about the restructuring opportunities in the City Manager's office is they have changed the Assistant to the City Manager position's title to Communications & Marketing Manager to reflect the actual duties and responsibilities, the focus of this position. So they will have a City Manager, an Executive Assistant to the City Manager, one Administrative Assistant, and a Communications & Marketing Director. Let's go to Building & Code Enforcement. Previously the funding for lot clearing and demolition was funded in the Fort Pierce Redevelopment Agency. The City Attorney determined that those were not eligible expenditures, so they had to go back in and add money for those expenditures. So the building inspection budget has been increased by \$100,000 to provide a total of \$140,000 for demolition in FY09. That is still considerably less value than was budgeted in FY08. However, given the competing demands for their limited resources, this is a level of funding that they are proposing to move forward with.

Mr. Jon Ward, Director of Fort Pierce Redevelopment Agency, asked can he make a clarification comment for the public so there is no lack of understanding of what they are saying here? The \$50,000 for lot clearing is an appropriate and allowable expense on the part of the FPRA. There is nothing that they have been doing that they were not supposed to be doing. The problem is that the FPRA does not have the ability to lien these properties and recover the funds. As a result, they are putting it in a place where the City can lien and recover the expense. So therein lies the shift in the funding. He did not want the public or the Commissioners to be under the impression that they were expending the money incorrectly last year. It is just that they want to put themselves in a position to be able to recover that funding.

Mr. Recor said \$50,000 added to Code Enforcement's budget for lot clearing, as well as funding an additional Code Enforcement Officer position that was previously unfunded. They may recall from the initial drafts of the General Fund budget, the Senior Code Enforcement Officer position was proposed for elimination. Funding this additional Code Enforcement Officer position will allow the incumbent of that position to assume an officer's position as opposed to a senior officer position.

Commissioner Becht said the City had a citizen committee established for the Building Department to review its procedures. They made certain recommendations. He has gotten some e-mails in the last couple of days about implementing those. Are they implementing everything that they need to implement as recommended by that committee? And is it funded in this budget?

Mr. Recor said the number one recommendation resulting from the Building Department workshop and specifically the constituency group was improved technology in the Building Department. When they published the final report, they did not believe that there was funding available and would not be funding available until the next fiscal year, i.e. FY09. Due to the diligent monitoring of expenses in the current fiscal year, the Building Department was able to identify sufficient resources in the current fiscal year to fund the number one recommendation from the constituency group. That is on their agenda for Tuesday, September 2nd. He has invited the constituency group to appear before the Commission and voice their continued support. There are other recommendations that were made, but do not carry nearly the price tag that the number one recommendation did, i.e. funding of technology improvements in the Building Department.

Commissioner Becht asked so they are handling it?

Mr. Recor said they are on top it and they were able to implement the number one recommendation in the current fiscal year with existing resources.

Commissioner Becht said excellent, thank you.

Mr. Recor said when he and the Director of Public Works began to talk about additional resources in Public Works, there is nobody better to determine where the resources should be allocated than the Director of Public Works. Mr. Hood identified where he felt that additional resources could be where they could get the most value for their money. In the Fleet Maintenance Division, personal services have been increased by over \$41,000 through the addition of one auto mechanic. Now they will have four. The \$41,000 reflects the entire amount for personal services for the addition of that position. In the Facilities Maintenance Division, they have actually shifted the cost of utilities, the \$280,000 expenditure. This is a utility expense that the Public Works Department did not have any control of. So they have reduced their budget by this amount and shifted this expenditure to the Administrative account. They will see that there are still utility expenditures in the Public Works Department. However, the Director of Public Works feels that these are utility expenditures that are attributable to the Public Works Department that they have some degree of management over and should remain in the budget. They did not want the Commissioners to think that they did not listen to their feedback or their directions from their last workshop; but rather through communication with the Director of Public Works, this is how they responded to that. Go to the Parks & Grounds Division where they increased personal services by \$37,000. They added an additional maintenance worker position, so they will now have five maintenance worker positions. They have increased temporary employee services - that is where the \$30,000 was, from Facilities Maintenance - to increase that budget by \$30,000.

(Commissioner Coke arrived at 9:15 a.m.)

Mr. Recor said in Streets & Drainage Division, they will note that three additional Equipment Operator III positions have been added. This has resulted in an increase in Personal Services of \$143,871. This is where the \$30,000 was previously budgeted for trash receptacles. That has been shifted to the Parks & Grounds Division to fund the increase in their Temporary Employee Services line item. The last topic shows them a contingency line item that shows an amount of \$281,648 for the next fiscal year. This is where staff is suggesting the funding comes from for emergency equipment and capital purchases, if necessary. When he and the Director of Public Works discussed the budgeting for equipment, it was his opinion that they stick with his initial budget strategy; and that was, trying to get through the next fiscal year without budgeting for new or replacement capital, provided that there was some funding available in the event of an emergency or that they needed an emergency repair. With regard to the Police Department, he did ask the Police Department to review their overtime budget. They have provided an analysis of their overtime expenditures. He asked them to review the overtime budget with an eye towards funding replacement vehicles by reducing that expenditure. It is the opinion of the Police Chief that there are not sufficient resources in overtime to fund both overtime and additional vehicles. However, additional resources have been identified in the current fiscal year to fund the replacement vehicles that they were talking about for next fiscal year. That sums up the changes that they have made in the General Fund. Again, he will take them back to the bottom line; and that is, they were able to reprioritize expenditures, shift resources in the General Fund to still bring them a budget at \$40,139,481. So there has been no change in the proposed General Fund Budget since Draft No. 3. He will be glad to answer any questions that they have.

Mayor Benton asked they still have 10% or more in their reserve fund?

Mr. Recor said yes, they have not increased the fund balance appropriation. 10% plus, he might add.

Commissioner Coke asked have they maintained their staffing levels? There will be no employees that will be lost due to this new budget - Draft No. 1, Draft No. 2, Draft No. 3, etc.

Mr. Recor said no, there are still he believes two that are proposed for elimination.

Commissioner Coke asked are those actual people that are collecting paychecks and feeding their families and making a mortgage payment from those two positions?

Mr. Recor said in one of those positions, yes there is.

Commissioner Coke asked can he tell her what position that is?

Mr. Recor said it is a position in the Engineering Department. He is going to ask Jack Andrews to elaborate.

Mr. Jack Andrews, City Engineer, said it is the Stormwater Engineer position.

Commissioner Coke said she does not know how everyone else here feels, but she kind of has a problem with that. She thinks their big goal in life and what they have been saying all along through all their payroll negotiations and things is that they want to keep 100% employment at the level that they have it now. If they were cutting the budget to bare bones, eliminating a lot of different things like overtime and travel and all those things, she could understand the need, if they made all the cuts possible and still needed to come down to eliminate positions. But she does not feel comfortable eliminating positions when they still have some optional items in the budget.

Commissioner Sessions asked does the budget situation warrant eliminating this position? Or does a lack of need or necessity for this particular position in that department is the situation? If that is in fact the case, then his position is somewhat different. In essence, what are the reasons why this position is being cut?

Mr. Recor said that is a valid question, a worthy distinction. Again, the best person to respond to that is the Department Head.

Mr. Andrews said it is truly not a lack of need. They do have enough work in the Engineering Department to keep this individual busy. It is just that they did not have any other items to bring their budget down to where they were supposed to be. They are kind of limited on their different funds that they do have, so that was the only place that they could look at having this cut was an employee. It was a situation where they would all have to put a little extra into it to compensate for this loss.

Commissioner Sessions asked in essence, he is trying to satisfy the budget requirement demand that was made on him to eliminate?

Mr. Andrews said yes.

Commissioner Becht asked in the Detail Summary of Revenues, he could not find the rental income from Cobb's Landing. What line item is that?

Ms. Gloria Johnson, Director of Finance, said it is in the FPRA.

Commissioner Becht asked who owns Cobb's Landing?

Mr. Recor said FPRA.

Commissioner Becht asked where is the Tiki Bar & Restaurant income?

Ms. Johnson said it is in the Marina fund.

Mr. Recor said it is in the Enterprise Fund.

Commissioner Becht said in Miscellaneous Revenues, Line Item 369 41, is Marina. And then it has Marina again in 369 52. It is the same caption, but different numbers. Can someone tell him why there are two Marina accounts and what the distinction is?

Ms. Johnson said the distinction is, in Line Item 369 41, those are contractual services that usually the City provides for the Marina, any type of contractual work. Line Item 369 52 is administrative services they provide.

Commissioner Becht said he is lost, because if they are providing a service that would be an expense, and these are in a revenue...

Ms. Johnson said this is administrative charges, Line Item 369 52, it is work that the Finance Department, IT, the City Manager's office, that is what this is, it is administrative charges that they charge the Marina. Line Item 369 41 is if Public Works goes out to do something for the Marina, that is where they charge those revenues.

Commissioner Coke asked so that is income from the Marina?

Mr. Johnson said right, from the Marina.

Commissioner Becht said he would ask if they could add just a brief description to that, however they want to caption it. But to have it - Marina and Marina - does not have the clarity that he thinks they need.

Ms. Johnson said they will change that.

Mr. Recor said what may actually help - and this is something that they have talked about - is actually a chart of accounts. That would help them understand how the expenditures are categorized, which would explain why something is in a particular line item, what kind of expenditures go in that. That is something that they are planning to bring forward.

Commissioner Becht said under Line Item 364 41, there is sale of land or equipment for \$3.2 million. What is that?

Mr. Recor said that is the Heathcote Botanical Gardens expenditure that has been included. That has been committed. \$3 million of that has been committed to go back into the Heathcote project.

Commissioner Becht said first it is revenue, so they get it. The line item that he is asking about is where they have sold it or they projected to sell it in this fiscal year.

City Manager Beach said they have sold it. The transaction is complete, the payment has been received, and it is currently in the General Fund. What is reflected there is the receipt.

Ms. Johnson said that is the total amount received on the sale of that property.

Commissioner Becht said now he understands that. Can she take him to the corresponding line item in the expenditure where that goes out?

City Manager Beach asked does she have that in her program? How has she accounted for that? They have had that discussion and she has accounted for that in some fashion.

Ms. Johnson said they actually have taken the revenues and they are actually sort of like reserving it. They do not quite know how much is going to be spent from year to year, so they are not including...

Commissioner Becht said he appreciates the explanation. But the question that he asked was, can she take him to the line item in the expenditures to reflect where this goes out? If the answer is no...

Ms. Johnson said no, there is nowhere in there.

Commissioner Becht said okay, that is kind of the point he wanted to make. How are they going to explain this? Is she still trying to figure out what line item to put it in?

Ms. Johnson said they do not have it listed in the revenue source nor do they have it listed in the expenditure source in this years budget.

Commissioner Becht asked so they will have an amendment to the 2007-2008 fiscal year budget that will reflect both this coming in and this going out when they figure out where they are going to send it out?

City Manager Beach said they currently have a General Fund balance of somewhere in the vicinity of \$4.8 million. When they add this \$3.2 million, it brings their General Fund balance up to approaching \$7 million, between \$7 million and \$8 million. However, the Finance Department does have a reserve allocation of that \$3 million toward the Heathcote project. How they are accounting for that, he is leaving that up to them, but they are accounting for it. It is something that he thought he had pointed out previously that they have to be conscious of, because if the City Commission starts thinking that they have an \$8 million fund balance, then they are going to start making decisions that they should not be making.

Commissioner Becht said let him tell them where he is going with this. The City's Finance Department should not be run according to the dictates of political winds. But the projected for 2008 has swollen up to \$44 million and \$3.2 million of that is because they did a very wise thing, in his opinion, they sold the Heathcote property. Somehow he thinks they need to have an operating budget that does not contemplate the sale of fixed assets.

City Manager Beach said the \$44 million that he is looking at is not their budget, that was their revenue. That is the revenue anticipated for that year. Their budget is still somewhere in the vicinity of \$41 million.

Commissioner Becht said his point is, \$3.2 million of that is the sale of a fixed asset. It is an accounting issue that Ms. Johnson will have to deal with and they will have an amendment to the budget brought back.

City Manager Beach said all of the Commissioners need to remain conscious of it as they go through the year.

Mr. Recor said they did cover that, because they specifically at the first workshop said they did not want the Commission to think that the budget had increased by \$3 million. It was actually in one of the transmittal memorandums that he prepared for them, so he is fairly confident.

Commissioner Becht asked in Miscellaneous Revenues, where or have they contemplated the roughly \$45,000 or \$50,000 of revenues they should get from the card room in February 2009?

Mr. Recor said he does not believe that they have accounted for that, so that would be a bonus. Could Ms. Johnson confirm that, the card room at the Jai-Alai?

Ms. Johnson said no, she does not have that.

City Manager Beach said they have not accounted for that.

Commissioner Becht said there is in place in agreement that the City entered into with the Fort Pierce Jai-Alai Fronton where they get a point and a half of their gross revenues from the card room operations. His information from them is that should be in the neighborhood of somewhere between \$30,000 to \$50,000, depending on how many people keep playing poker. It is money that is supposed to come in. He does not know how they budget for it because they have never had it come in. He guesses it will be easier the following year when they figure out where it is coming in and how much it might be. He did not know if it is in here or not in here. As Mr. Recor said, it will be bonus money. And they have yet to figure out where they are going to peg hole it so it does not get lost in the General Fund. That should be February or March of next year, where they as a Commission need to figure out where they want that to go.

City Manager Beach said it will show up as a line item receipt in their financial reports and it will have that source.

Mr. Recor asked are there any other questions regarding personnel? He would like to get clarification, exactly what the Commission would like to see. Do they need any additional information regarding the question of personnel? He does know there is at least one other position that is in an Enterprise Fund that is proposed for elimination where there is a body affected. But the General Fund, he believes that is the only position. There is another position however, it is vacant, there is not an individual affected, someone's livelihood. If they would like to have a general discussion policywise, both General Fund or Enterprise Fund, now is probably the time to get clarification.

Mayor Benton said he does not recall in all the budget workshops they have had any Department Head standing up saying that they might lose somebody and they need this person desperately. He thinks that would have gotten their attention. So he is good with it. It appears that everybody feels comfortable with their budget so far.

Commissioner Coke said if they have a necessity to cut the budget, her preference is always to examine every possible budget cutting aspect prior to taking away the ability of somebody to feed their family and make their mortgage payment and pay their taxes. She just thinks there is some other things going on in here that would be a wiser choice. She does not want to see them six months into it, after eliminating a position, needing that position to be filled again. She thinks they have to have some loyalty to the people who have been loyal to them.

Mayor Benton said the revenue that Commissioner Becht was just talking about coming in in February or March of next year would cover this person's salary, if the figures are correct in the budget. So he is sure it could be done.

Mr. Recor said there are criteria both in their bargaining agreements and he believes even in their Personnel Rules & Regulations that guide decision making when it comes time to lay off or reductions in the work force. Another factor that weighs into the decision is performance. That is not something that is articulated in writing. He can tell them that as Department Heads look at their available resources and if there are required cuts, performance weighs heavily in their decision of where they need to cut. Just consider that.

Commissioner Coke said she will consider that. Her theory would be, if they are not happy with someone's performance, then that is what they need to say. If they are not happy with this person's performance, follow the rules and procedures and move forward that way,

rather than use the budget as a tool to do that and then come back in two, three, four, or five months and hire somebody else. If they do not have the guts to stand up and say they are not happy with the job that they are doing, then maybe they should not be in the position they are in.

Commissioner Becht said he thought he had seen somewhere in the voluminous amount of information they have give them the number employees. He thought it was 362 or 377 or...

Mr. Recor said on Page 5 of the General Fund budget book, they will see the number of funded positions for 2009.

Commissioner Becht said it is 362. How does that relate to funded for 2008? Based on what Mr. Recor has told them, it should be 363 or 365 for 2008.

Mr. Recor said the number shown for 2008 is actually authorized. He himself always finds that terribly confusing when they have these kinds of questions. In the new format of the budget that they are going to introduce, they believe they have addressed that. He cannot answer that question. Perhaps Ms. Johnson or maybe Ms. Smith may be able to.

Commissioner Becht said where he is going is, Commissioner Coke and Commissioner Sessions were asking how many bodies have they lost, and he believes the response was one probably, but maybe two.

Mr. Recor said one in the General Fund, one in Solid Waste.

Commissioner Becht said if this number, the 362 for 2009, represents what he thinks it represents, then it should be 364 for 2008. Or is his logic flawed?

Mr. Recor said it may very well be, if that column were funded. But they are not comparing apples to apples there. Again, the 2008 column is authorized; but that does not necessarily mean that there was funding associated with it.

Commissioner Coke asked does that 362 reflect the additional personnel in Public Works?

Mr. Recor said yes, it does.

Commissioner Coke said so then they are actually looking at some place along the line five other positions went away. Because if they took zero and added five, they would have five. And now they are saying that they are taking away two.

Mr. Recor said it all sounds very simple, but very complicated. Help him understand what they are getting at and maybe he can answer the question.

Commissioner Becht said where he was coming from is simplistically he wanted to put in the record that the size of the Fort Pierce workforce is going to be 362 as they move into the next fiscal year.

Mr. Recor said he thinks that is accurate statement.

Commissioner Becht said that is what the number says. He wanted to make sure that his understanding of what that number means is the actual number of employees they are anticipating employing next year.

City Manager Beach said that is what it is intended to indicate and that is in the General Fund.

Commissioner Coke asked how many funded do they have today?

City Manager Beach said they do not know that, they would have to research that.

Commissioner Coke asked does Ms. Smith know that, how many funded positions they have today?

Ms. Mazella Smith, Director of Administrative Services, said when she left two weeks ago, they had 409.

City Manager Beach said not in the General Fund.

Ms. Smith said that is all employees, not just the General Fund.

Commissioner Sessions asked in terms of a dollar amount last year versus this year, what is the actual increase as far as staffing is concerned?

City Manager Beach said last year their personnel services cost in the General Fund was \$23,204,000. This year, it is \$24,287,168.

Commissioner Sessions said an increase of \$1 million plus.

Commissioner Becht said the 362 number of employees, as Ms. Smith just pointed out, does not contemplate other employees outside the General Fund. What Enterprise Funds are contemplated that would shoot that number above 362 - would that be the Marina, the Golf Course, and Solid Waste?

City Manager Beach said also the Sunrise Theatre and FPRA.

Commissioner Becht asked but not the Police Department?

Mr. Recor said correct, that is included in the 362.

Mr. Andrews asked may he clarify something on his end? The Engineering Department has 13 positions currently. In their proposed budget, they are dropping to 12. It is putting a hurt on the Engineering Department to lose that position. The only way that they could meet their budget, the only line item that they had that they could take out, was through personnel, what they were asked to cut. He has other fixed costs in the budget that he cannot change - traffic signals, the money from FDOT - these are all figures that he cannot change. The only place that he had to go was personnel.

Commissioner Coke asked what kind of effect is being short one person in his department going to have on the services he provides?

Mr. Andrews said right now this position handles the review of the building permits that they have coming in. Right now, it is a little slow in building permits. If that increases, the number of building permits has a direct effect on how their performance is. If they lose this position and building permits increase and that work load increases, they would look at going out for temporary services. A couple of years ago they went to an outside consultant and ended up paying for that to aid in their review to keep the review process going.

Commissioner Becht said there is a blessing with increased permits, so they can all pray that happens. If they have increased permits, they will have increased revenues across the board.

City Manager Beach said that is correct. As all of them know, they increase and decrease their permitting staff as demand occurs. That same thing could occur in the Engineering Department. If they find themselves unable to process and respond, they will be back.

Commissioner Becht said they will have the money.

Mr. Recor said if it was not clear, their City Engineer is indicating that he would like to have the position in his budget.

Commissioner Coke said through all these processes, the one thing she emphasized - and she thought they all agreed on across the board - was that they wanted to ensure that they did not put somebody out of a job, that there are other things in the budget... They are really at the wire here with this. She does not want to belabor the point too much except to say it seems to her that every time they say they are not going to do this and they want five more employees at Public Works, all of a sudden they do somehow find a way to do it. She for one would like to say no, she does not want to lose someone in the Engineering Department.

Mr. Recor said they can make it happen. They have indicated time and time again...

Commissioner Coke said if there are two others up here that feel the same way, she would sincerely appreciate it if he would make that happen.

Mr. Recor said okay. Just as they have in previous workshops, just as they did with this budget, they can reprioritize expenditures and reallocate resources.

Commissioner Becht said his concern with opening that door is that every department head... He does not have a scale that he could put the Engineering Department's pain on and Public Work's pain on. Ms. Smith has been after them for four or five years saying she needs additional people in there. He does not have a scale that he can put a department's pain on and say this department has more pain and they ought to listen to Mr. Andrews and give him the extra person. He is not picking on Ms. Smith, but she could come down here and say she has been asking for somebody for six years.

Mr. Recor said Ms. Smith got her position this year.

Commissioner Becht said then maybe she is a bad example. But he does not want to open the floodgates on the department heads coming down here and saying they are in pain and they need somebody too.

Commissioner Coke said but they are not looking at adding to Mr. Andrews staff, they are looking at maintaining an existing position.

Commissioner Becht said but other departments have positions that are open. They are not eliminating bodies. Yes, there is a difference.

Mr. Recor said he knows this does not help for this year, but for next year one of the things that he is going to suggest that they do is look at their budget in terms of funding programs and activities and determining what it actually costs them to provide this level of service, and they will present the budget to them in programs so they do not have this level, this detail of conversation of individuals and individual positions. They will decide what programs they want to fund. Again, they can make this happen, they just need direction from the Commission. If the direction is no staff elimination in the General Fund, they can make that happen.

Commissioner Sessions asked what is the fiscal impact on this particular position?

Mr. Recor said it is probably in the neighborhood of \$50,000 when all is said and done.

Commissioner Sessions said he agrees with Commissioner Coke. He does not think at this point... He realizes they are trying to eliminate and satisfy and complete a budget, but he just does not see where this situation warrants eliminating a position and putting a person

out of work if at all possible, given the workload at hand or at least the anticipated workload in the future. It may come back to haunt them.

Mr. Recor said it does not make or break this budget. They hear the Commissioners and they will make that happen. Any other questions on General Fund expenditures?

Commissioner Becht asked is that going to help with getting maps out of the Engineering Department?

Commissioner Sessions said while they are talking about the subject of personnel, Page 26, Funded Positions, they have an Assistant Director of Planning and a Director of Planning. Is that workload that heavy that it requires an Assistant Director?

Commissioner Becht said it is when the Director is in Bosnia or Serbia or Kosovo, wherever he is.

Mr. Recor said that department is void of day to day leadership. Those two positions are actually vacant at the moment and he is filling in. Yes, it is absolutely necessary.

Commissioner Becht said Matt Margotta holds that top Director position. If he is not mistaken, they are funding him at a reduced rate to make up what the military pays him and get him up to what he should be receiving here for his service to the country, but he is not here to do the duty. So they cannot take the position out of the budget. But there is actually no service coming back to the City from Mr. Margotta. The service is coming back to the Country, in fairness to Matt; but he is not doing a Director's job here in the Planning Department, if he has stated that correctly. If that helps explain why they need an Assistant Director of Planning position in there.

Mr. Recor said which is also vacant.

Commissioner Coke said hopefully some day soon Mr. Margotta will come home and come back to work.

Mr. Recor said May 2009.

Commissioner Coke asked she assumes they have a game plan in place for what they will do with the Planning Department with they have an Assistant Planning Director in there and Mr. Margotta comes home?

Mr. Recor said he has a game plan of what they are going to do with the Planning Department when they have a new City Manager.

City Manager Beach said what they are doing is technically referred to as muddling through.

Mr. Recor asked any other questions, General Fund? He thinks they have good direction, he thinks they can move forward and finalize the General Fund for 2009.

Mr. Recor said he will just kick them off on the Fort Pierce Redevelopment Agency's budget, they talked just a little bit about it yesterday. And the enthusiasm that they had in the manner in which they have presented the budget, hopefully to alleviate some of the confusion in their financial reporting in what kinds of resources they have available to them, the source of those resources, and how those resources are funding different projects. What this budget does is present the resources in a combined fashion. They see the various categories of revenue that are coming in. They see they are getting money from taxes, they are getting money from licenses and permits, and miscellaneous revenues. And then at the very bottom, they note the prior year carry-overs from both bond funds as well as operating funds. Every expenditure has been listed on the expenditure side. As far

as capital goes, they have identified the capital projects that are being funded by operating capital and then the projects that are being funded by bond. Further on the expenditure side they have the traditional expenditures that they would expect in every other department - personnel services, operating expenditures. Then they list the capital outlay that ties directly to the table they identified at the very beginning. But what they have done differently this year in terms of the grants is that they listed every private organization that receives funding from the FPRA and they have separated private organizations from specific programs and projects. So at the end of the day what they actually see is what was yesterday about a \$1.5 million budget gap. Yesterday they made a decision as the FPRA Board to reduce that gap by in the neighborhood of \$600,000. So their challenge is a little less today, but it is still in the neighborhood of \$900,000. Looking at the budget the way that it has been presented to them, Mr. Ward has identified about eight line items they can see where there is flexibility, what programs and activities, as well as what private organizations they can choose to fund and at what level.

Mr. Ward said as illustrated in preliminary comments yesterday when they looked at this, the concern that he had when they were preparing this year's budget, they have been evolving as an Agency and have been encountering issues that they had not encountered previously. This year they tried to factor in some of the previously unpreplanned-for items. The best example of those things would be every time they receive a grant, generally there is a local match that accompanies that. Yes, they get a \$500,000 grant from FDOT, but probably they are going to have to match that with \$250,000 or \$300,000 worth of their own capital. Up to this point they have not identified on a line item basis that match. They deal with it on kind of an ad hoc basis - if they get it, they hope they can find the money to match it. He knows the last thing in the world they want to be doing is turning back grant funding, especially when it allows them to do projects with literally 50-cent dollars or even less than that. The best example would be the FCT grants that they have currently outstanding in the amount of close to \$5 million. Certainly they would not want to not be able to avail themselves of that, but those kinds of things anticipate that they will have a local match. So they factored that into the grant this year under a specific line item. They also encountered in the last year things like settlements for litigation. The more things that they do, and they do a lot of things, that means that they have a lot of issues and they create a pretty big wake out in the lake there and sometimes they stir up some other boats. What they have done this year is they encountered some situations that required them to address funding items that were surrounding their legal responsibilities. He has plugged in a specific albeit small number for potential settlements of lawsuits. An example would be that this year they had to settle the Catafulmo lawsuit, \$250,000 and change came out of this budget out of the blue. There was no way they could have anticipate it. By the some token, he is not trying to anticipate the future, all he is trying to do is set aside some funding so that they would be able to successfully deal with it, not at the expense of programs. Having said that, that is part of the reason that the budget comes to them in an unbalanced form. It is a deliberate effort on his part to institute some preplanning for these kinds of needs. It is also a good way for them to make some choices about what they want to fund and what they do not want to fund that are non-recurring kinds of items. An example would be what they did yesterday in the FPRA meeting. They had the opportunity to buy those two lots on the beach, but they elected to not do that. He had in the budget \$670,000 already budgeted for that purchase. However, because they elected to not make that purchase, they reduced their lack of balance sheet by that \$670,000. So it takes them now to an unbalanced number that is \$844,000 and change.

Commissioner Becht said he is looking for the litigation contingency fund. Where is that line item?

Mr. Ward said Settlement of Claims, Line Item 49 50, Page 20. He thinks it reflects \$200,000, if he is not mistaken.

Commissioner Becht said sometimes Mr. Ward gets so far ahead of them that sometimes he ends up going too far down the street before they can catch up with him and talk about it. He has complimented him on that character trait, it is not a flaw, he likes him having it.

But he needs to catch up with Mr. Ward and tell him that he disagrees with him on the \$200,000 there. He understands the rationale that he has. Philosophically, he would rather put that in a legal defense fund. He would rather establish an attitude that they will pay what they owe when they have to pay, rather than go ahead and create a pool of money for a bunch of lawyers to say wow, there is a pool of money there, let's go get it, because they have established a pool of money for them to go get. He for one would like to eliminate that. And then that money could go into a project rather than going into a pool. Mr. Ward did prudent planning and he understands what he is trying to do here. But philosophically he does not want to create the blood in the water. There is not any blood in the water, if an attorney wants to earn money for his client, if he thinks he has a legitimate claim against the FPRA, come get it. But his attitude is they are here to build projects, not to create a pool of money for some lawyer to come get them.

Commissioner Coke asked should they not just rename that then legal defense fund?

Commissioner Becht said no, she is missing his point. He does not want to have a legal defense fund. If they have an issue that comes up, then they will deal with it. And they will let the public know that because they are being sued, they are going to have to not do a particular project. That is the philosophy that he would like to project to the public.

Mayor Benton said he likes that. When a lawyer likes to put it to another lawyer, that is good.

Commissioner Becht said as he has said before, he does not sit up here as a lawyer, he sits up here as a member of the Commission. He compliments Mr. Ward on what he is trying to do. Philosophically, he would rather put it back into a project.

Commissioner Sessions said he agrees, because it sends a perception out to those bloodthirsty lawyers that they have a pool of money just sitting there, so in lieu of litigation, let's settle it, and lo and behold there is \$200,000 there from the City of Fort Pierce. He does not think they want to send that message out.

Mr. Ward said he wants to stop the conversation about putting it into a project. What he would suggest they say is that his \$844,000 number just became \$644,000, so they are moving in that direction. He tried to create eight or ten items so they can make exactly these kinds of choices. They are now at \$644,177. And they want to eliminate that as a category.

Commissioner Coke said she is going to weigh in on two things. They keep talking about the space that is in the remaining part of the building for the Sunrise Theatre. She was walking downtown today, there are more vacant spaces downtown at the moment than she has seen in 33 years that she has operated a business downtown. She would put to them that they need to take that \$477,000 (for a Black Box space at the Sunrise Theatre) to reduce this; and some place down the line, when what should happen downtown... The last time downtown was very successful, they had a large box store. J.C. Penney's took up both sides of the street. When they get a large box store downtown again that will pull retail, then she thinks it will be the time to look to do something with that vacant space. Until then, she thinks they need to just put that money towards offsetting the deficit in their budget.

Commissioner Becht asked what line item is that?

Commissioner Coke said it is Mr. Ward's suggestion #10, which is \$477,000. She does not know where he has it as a line item.

Mr. Recor said let's clarify that they are talking about the same thing. #10 on Mr. Ward's bullet list is the black box space at the Sunrise Theater.

Commissioner Coke said yes.

Mr. Ward said he thinks as a line item, it is probably lumped in Line Item 63 20, that \$9 million expense. The bond capital shows the expenditure of \$477,000; and where that shows up on their line items as far as outlay is concerned is Line Item 63 20.

Commissioner Coke asked he has \$1,595,000 there?

Mr. Ward said no, it is the \$9,161,000. The \$477,000 is in that number. They can see it corresponds on their first page with the receipts.

Commissioner Becht said there are two Line Item 63 20.

Mr. Ward said he knows. Ms. Johnson did it that way for a reason. The reason is, when they look at their resources, their capital outlay schedule, they have an outlay from operating capital and they have an outlay from bond capital. She is trying to discriminate between the two. They will notice that the \$1.5 million is the outlay from operating capital, that is what is coming out of the \$7 million.

Commissioner Becht said let him see if he can tie this back together. If they look on Page 18 of their Enterprise Fund proposed budgets, and they look under Bond Capital, the first one is beach property acquisition and site prep for \$670,000, which they eliminated yesterday. The third from the bottom is South 2nd Street development at \$477,000.

Mr. Ward said which is what they are talking about now.

Commissioner Becht said so both of those are coming out.

Mr. Ward said if they kill this, that will come out.

Commissioner Becht said okay, then that will reduce the total bond capital of \$9,161,000. And that figure appears in the budget as the second of the 63 20 line item entries. So he agrees with Commissioner Coke that if that \$477,000 is going to finish out the Sunrise Theatre empty vacant space, that he sees no need to spend that this coming year.

City Manager Beach said he would like for a few minutes of discussion to take place on that subject. The condition of their downtown is as Commissioner Coke characterized it, they have a large number of vacancies. Those vacancies have been created over the past few years, they have created them through new construction and new activity and new office space and new retail space. So they have a lot of activity that needs to take place in that area. Now is not the time to back away from trying to make that happen. He had made a recommendation to them a few months ago about bringing somebody on board to start dealing with those vacancies and it did not go anywhere. They are currently looking at some type of consulting firm operation that could accomplish that same thing. What he would like to do is have Jon Ward describe to them what they are proposing to do with that space. Keep in mind that it is all about creating activity in the downtown area and creating demand for that space.

Mr. Ward said the issue that they have downtown, and it was a good example that Commissioner Coke gave, is the lack of a Penney's and that sort of thing. Years ago there was a major activity going on in the downtown area that drew people down there, an anchor. He would offer that he is not the smartest person in the world, but he looks at a lot of smart ideas and he does not have a problem knocking them off. He is looking right now at the Riverside Theatre in Vero Beach where they have created a black box theatre in effect, he does not know what they call it. But it is a theatre in which local kind of garage bands appear and they have a lot of activities going on there and it is a relatively inexpensive space. They are having a tremendous amount of activity. It is full every Saturday. They are going to have to shut it down he understands for their regular season

because they need the space for rehearsals. But they are having a great reaction from this thing, they are bringing people in that have never gone to that area, it is generating revenue for them, it is increasing the visibility of the area. What he is trying to do, what they thought of as management, is what they are missing in the downtown area. Downtown Fort Pierce, for lack of a better description, is just not very cool. They are missing a cool factor. Why would he want to go downtown to shop in a store or be in an area or drink in a bar or something like that if it is not a really cool place that he wants to be? Where does he want to go? The other thing that they are missing in the Sunrise Theatre is they are not capturing that youth audience. He is not getting a young audience. He is also not getting all of the ethnic audience that he needs to get as well. Having said that, the idea they initially had was about creating a restaurant in there. Now they have backed away from that because they recognize clearly that it is not their desire in any way, shape, or form to compete with the private sector. There are plenty of restaurants. Also he is in the process of developing alongside with this program, a program to encourage participation of the downtown restaurants in a reward coupon kind of thing. What he wants to create down there is to move away from any sort of a competing posture and create literally their version of a black box theatre downstairs, relatively inexpensively. And what that does is it creates a rehearsal space, it creates a performance space for events that 100 or 300 people would go to. How many times have they been to an event like a jazz event with a fabulous jazz artist that has a very niche following and he draws 300 people and they are sitting in a 1,200 seat theatre looking like it is an empty place. If they create this, it is a great intimate space. They can rent it out for dance rehearsals, dance recitals, opera rehearsals, exercise things. St. Lucie County is closing the Community Center. When he had his office over there, every morning there was an exercise class and all these kinds of things. They are looking for a home now. They can rent to all these things, it can be an income stream, and it creates that cool factor. He thinks they can get a lot of young people that they are not seeing downtown, downtown. He thinks it will help their restaurants as well.

Commissioner Becht said great idea, he is convinced. As the judge tells him, shut up when he has the judge convinced. The cost of that, does he have any idea? Or was he waiting on some consensus from them before...?

Mr. Ward said he was waiting for a consensus from them. He has \$477,000 plugged in. What he would do is concrete floor and basics. He would concentrate on a first class lighting system and a first class sound system. And beyond that, it would be like black curtains. As he said, a cool space, not an overly done space.

Commissioner Coke said the black box space sounds great. First of all, she thinks \$477,000 might be a bit high for what he is looking to do there. Can he tell her what his proposal is going to be as far as running this? Is this going to then be part of the space that they will give over to the Sunrise Theatre for them to run? Is this going to be a separate enterprise? What are they going to do with it?

Mr. Ward said the anticipation is, with the kind of experience that John Wilkes has, he is certainly capable of running this kind of space. And he sees it contributing to the bottom line of the Sunrise Theatre, trying to wean that off of the FPRA. It is another income stream.

Commissioner Coke said the other side of the coin is, they might request that the Sunrise Theatre Foundation Board participate in the finish out of this.

Mr. Ward said that is possible, yes. He thinks the benefit that is there directly may reflect in their ability to lease up those empty spaces. It will create a place where people want to be, he hopes.

Commissioner Becht said he likes the idea. But what he would like to do is reduce the \$477,000 to \$250,000 for a sound system and a lighting system. They can get some volunteers in there with rollers and paint the walls. He thinks for \$250,000 they could easily

finish that out. His recommendation, without wanting to hamstring him, he thinks with \$250,000 he has more than adequate resources to follow through with the idea. Reduce it to \$250,000, because he is trying to whittle away on that \$800,000.

Mr. Ward said tie it into an income stream for the Sunrise. The good thing is that he has a lot of lighting instruments and things from the Sunrise Theatre that he may be able to task in here and possibly save some equipment expenses as well. So that would work.

Commissioner Becht said so they are down to \$700,000, and if they took another \$100,000...

Mr. Ward said he is at \$644,000 now, so if he dropped \$250,000...

City Manager Beach said about \$417,000.

Commissioner Becht said he needs some consensus from the other Commissioners on taking that down to \$250,000 from the \$477,000.

Commissioner Coke said yes.

Mayor Benton said right. If it has to be adjusted a few dollars, okay; but he thinks it is a good figure to start with. He thinks it is a great idea. He spoke to John Wilkes, who mentioned that. That will help bring people downtown and maybe it will help some of those businesses, especially the restaurants.

Commissioner Coke said she did not want to get into this, but before she gets back to her other issue on the budget, they keep talking about the restaurants downtown and giving them incentives. She is here to tell them that there are other retail businesses downtown. And it is absolutely unfair to be paying restaurants... She sent Mr. Ward a rather sarcastic memo saying that maybe they should start paying half of everybody's utility bill and their rent bill, and if they are staying open late, pay part of their workman's compensation and their employees. They cannot just do this for restaurants. If they go places where there are theaters operating in the evening, the entire area is open and successful. It is not just the fact that the restaurants are open. Walk down Duval Street in Key West. The stores do not open until 5:00 o'clock at night. She guarantees a big part of it is what happens there starts in the evening. So if they are going to develop a program to encourage downtown, they need to include all those retail spaces downtown as well as the restaurants. They need to try and get some of those stores to stay open so that people can walk in and buy flowers, they can buy a gift, they can do whatever else in addition to that. That is way off base, she really did not want to get into it. She just gets tired of hearing about the restaurants, restaurants, restaurants. All they would need to do is actually do just a little bit to help themselves and stay open. Mr. Wilkes has offered to let them distribute handbills, he has offered to post their menus, he has offered to do all kinds of things. She goes to the Sunrise Theatre on a regular basis; and when she walks out of there and walks down the street, there is not a restaurant downtown open where she can get something to eat and a drink.

Mr. Ward said he thinks he was caught in mid-thought on that because he was thinking about the restaurants because it has the most direct effect, restaurants are the most immediate beneficiary of this kind of activity. However, he is thinking about the other activities as well. It is not an exclusive thing, they are certainly scratching their heads about it.

Mayor Benton said while they are on the subject, he thinks it is time to consider, not today, but the people that did the charrette said that there are some people that can give them some expertise on what they can do to make their downtown more successful. MarkeTec said how to do it. Until they have more retail on the bottom floor... In Key West, they do not have office space on the bottom floor. Until they get buy-in from the owners downtown

and the folks up here to say lets see what they can do to draw people. The Sunrise Theatre is not the only draw. How many retail spots do they have, five or six?

Commissioner Coke said there are two retail spots right now that are vacant, whereas thirty days ago retail establishments were there and they were not patronized sufficiently to keep them in business and two of them went out of business.

Mayor Benton said they need more than just a few. People like to window shop. If they don't have it, they are not coming. People are going to call for their flowers, they do not have to walk in the door. It is time they readdress what can make downtown work. And until they have an open mind, he does not think it is going to happen.

Commissioner Becht said an idea he tried to push with the Treasure Coast Regional Planning Council, but there was a retail specialist that actually came into Jensen Beach specifically to put on a symposium to assist the local retailers on how to develop and market their businesses. The DBA is a worthwhile organization, but sometimes they do not see the big picture. They do not understand if they bring 2,000 to 3,000 people down on a Saturday morning for the Farmer's Market, that there are 2,000 wallets within two blocks of their business. The idea is, why didn't they bring them up on 2nd Street? Well, they are two blocks away from them, they need to figure that out. They need an organization like the DBA to organize and make coherent the retailers; and then they can bring in the expert to talk to them and give them some ideas.

Mr. Ward said he would suggest they have one; and in fact, they are funding them. They are getting benefit from the Main Street organization. They are putting on a lot events and things like that. He has already started the dialogue with that staff.

Commissioner Becht said he wanted to finish on a high note. Sunday night, he and Colleen were coming back from somewhere and they went over to that ice cream place (Uncle Carlos in the Renaissance) that is off the beaten path and it has no signage on Indian River Drive. And he got to stand in line because there were that many people there at 8:00 o'clock at night. The guy and his wife were running crazy behind the counter. No signage, no TV advertising. It is just a good idea and friendly service and a nice product.

Mr. Ward said he has had precisely that same experience on a Sunday night at 7:30 or 8:00 o'clock, when he was absolutely convinced there was no way they could be open, but he went down there and there were people standing in line, could not believe it. Actually Commissioner Alexander came in while he was there too.

Mayor Benton said he is one of their best customers. He met the owner the other day and he gave the City and their Building Department praise for the way things have been handled over there. He is one of their biggest advocates.

Commissioner Becht said that is just one retail operation, but he has a positive energy to him and he is doing well. He is also new and novel. He does not know what the answer is for energizing the retailers in the downtown area. But as Commissioner Coke said, there are more than just the restaurants. But they can help themselves, and they can help them help themselves, once they figure out how they can do that.

Mayor Benton said that was one of the recommendations out of that charrette. In fact, it was brought up about the expert that can come in, he guesses the same one in Jensen Beach, to explain how they can do things. He thinks what they have to do is get the DBA, Main Street, and the Chamber of Commerce together. Because unfortunately when he spoke to the DBA, the next meeting the owners of the properties had got to the tenants and they had come back and were afraid to say anything. So it is time they get everybody on the same page. It is time they got all those three groups working together.

Mr. Ward said what he would suggest is he has given them a line item budget which up to this point has been fairly well supported. There are several other items. If they would like to have a discussion now about which of those they would like to implement and cut, then he thinks they can come to a balanced budget fairly simply.

Commissioner Coke said she is sorry they got sidetracked, it was her fault. This is her annual speech, she makes it every year so she kind of knows it by heart. She is very much in support of the City doing everything they can to help non-profits get started. She can never get two other votes. But she will put to them that at some point in time, non-profits need to be able to stand on their own two feet. She firmly believes that they need to limit the amount of money that they give to non-profits in any given fiscal year and limit the number of years they can feed at the public trough. She is not talking about the Main Streets, which are in essence a branch of the City. She is talking about all the other organizations that they support, like the Treasure Coast Opera and the Jazz Society. She is very much in support of both of them. But she does not think it is the City's job to year after year... The first four or five years, that is one thing. But at some point in time these organizations need to stop thinking that they can just come to them. Mr. Ward had volunteered her to do a fundraiser for one of these organizations and she agreed to do it; and they basically turned her down. So her theory is, why are they looking to finance organizations that do not do anything to help themselves?

Commissioner Sessions said doesn't she think that should be judgement call on the Board's part when they come before them? But just to back down with the amount and limit the amount and set a budgetary amount lowering what they anticipate may or may not come. When they look at their community it is a very diverse community. And a lot of these non-profits are requesting monies from the City. As a result of whatever they are proposing, he would hope would benefit the City at large. So if individuals come before them that they feel is not justified in receiving those funds, he feels comfortable with denying them and telling them exactly what the problem is and reserving that money for another non-profit.

Commissioner Coke said she agrees in part, because she does see the significant contribution that is made to the community. She just does not believe that it should be an indefinite thing. A lot of these people have just become line items on their budget. She thinks if they are going to grant them funding, give them \$40,000 a year for five years, then they need to be able to be self-sustaining, making their own way, and moving forward. She thinks is what happens is, FPRA funds \$40,000 a year, it is a line item. They never question it, they never look to stand on their own two feet. Of course they are going to spend the money. If somebody gave her \$40,000, she would spend it. What happens is, they have committed to that organization indefinitely; and it prevents them from taking a new baby organization that might be bringing a different aspect and a different contribution to their community, and helping them for the next five years.

Commissioner Sessions asked when she says they are committed, in concept? Is there anything contractual that commits them? Can't they turn them down and tell them no?

Commissioner Coke said it just becomes a line item on the budget, which is what her concern is.

Commissioner Becht said Commissioner Sessions is right, they can tell them no. He is going to play Scrooge here. She had her speech and now he is going to have his speech, and they get to hear it annually. The whole philosophy behind this troubles him, it has troubled him every year. Because they are taking taxpayers dollars, which are designed to operate the City, and giving their dollars to charitable organizations. They are all taxpayers up here. If he wants to give money to a charitable organization, he should be able to choose it as a taxpayer. But his tax dollars are now being used arbitrarily by the five of them or any three of them to go to charities that they pick. He questions whether that is a legitimate function of the City with taxpayer dollars. That being said, every year they end

up doing it. He thinks there are other reasons why it is a legitimate expense. But if they wanted to have a philosophical argument, somebody could argue very strongly on the other side that it is wrong - don't take their tax dollars and give them away to a charity. That general comment having been made, he has a specific question. He thought they were giving equal grants to Main Street Downtown and Lincoln Park Main Street. He sees that Lincoln Park Main Street has an additional \$31,000. Has that been explained at a meeting he missed?

Mr. Ward said the reason that it is, because not knowing which way the Board was going to go, he anticipated both building their building for them and paying their rent payment. If they build their building, which they have agreed to do, it will reduce the amount that they have to pay for rent and that is what the \$31,000 is. They are currently giving them \$90,000 toward their operating budget and they are contributing an additional \$31,000 for their rent - \$2,500 a month. If he builds the building six months from now, that rent item will go away or it will be swept into another column.

Commissioner Becht said he is uncomfortable with that. He thinks it ought to be equal. He sits on the Downtown Main Street Board. He knows it has more history, it has more weight, it has more momentum to it. But there are aggressive and creative ideas for fundraising that are brought up at every meeting of that organization. The \$90,000 they receive from the FPRA is very important, but it is not half their budget, it is probably less than a third of their budget.

Mr. Ward said he agrees. Also take into consideration they funded \$320,000 or \$330,000 last year toward the reconstruction of the Backus House for Main Street, which was a separate line item as well. He thinks there is a quid pro quo here and he also thinks in some ways this is addressing exactly the comment that the Commissioner had made earlier about raising a new organization versus a mature one. The value added to the City from the participation of Main Street Downtown is inestimable. The value added to the Lincoln Park community is betting on what is to come to some extent.

Commissioner Becht said there are already some intangible benefits he has seen and he hopes everybody else has seen, from attitudes to self-confidence to self-esteem, which are tough to value. He is just bothered by the way this appears side by side - one is \$90,000 and one is \$121,000. Frankly he does not want to have to go back to his Board and listen to them scream about when he was wearing that City Commission hat he gave \$121,000 to Lincoln Park, how come they are only getting \$90,000?

Mr. Ward said as soon as they build the building, that number will go away and there will be equity and parity. As a practical matter, they have been paying it for the last year and a half. It just had not shown up there specifically, he had been taking it out of contingency.

Commissioner Coke said she understands his concern. But again, they have a new organization they are looking to further and promote. It is a temporary thing. They were very much a partner in facilitating Main Street getting the Backus House and renovating that. She thinks if it takes six months to move the Lincoln Park Main Street organization along, then that is what it takes. Because they have been funding the Downtown Main Street for a lot of years longer than they funded the Lincoln Park Main Street. So there is a little inequity to begin with. Perhaps they should have started both of them at the same time, then the inequity would have been dissipated by now.

Commissioner Sessions said he does not think there is an even playing field when they look at the number of prior years that the City has made an investment to the Lincoln Park Main Street versus the Main Street Downtown. So the monies themselves certainly from the City's standpoint out weigh Main Street versus Lincoln Park because the contributions have certainly not been there. Even though they should have expectations of them becoming self-sufficient, by the same token they want to put them on an even playing field. Right now the Lincoln Park Main Street is pretty much on a start-up basis.

Mayor Benton said he agrees. He thinks this is just helping them getting off and running. Once they get into a new home, they can start doing what they are going to do best. It is just getting up and going. He also agrees with Commissioner Coke and Commissioner Becht when it comes to some of the non-profits. As somebody that has sat up here many years ago with Commissioner Sessions before, they had one group that came in and said that they needed this large chunk of money to get started, and then over the next five years they kept getting \$100,000. He and Mayor Enns sort of got at wit's end. It was not pleasant. It was a great organization. But if somebody wants to come in and they feel it is a great group to support, there should be a time frame, not just continue... Especially at a time like this, he knows a lot of non-profits are going to have a very difficult time in the next couple of years with the economy because people just do not have it, but neither does government. When Amendment #1 was passed, he thinks they have really twisted their arms a little bit more. When it comes to Main Street, they provide a service to make this community a better place. But some of the other organizations, he thinks maybe the signal is going to have to be sent that next year it could be tighter and it might be the year that they are going to get cut.

Commissioner Coke said she is looking on Page 20, Grants - Private Organizations. She understands the two Main Streets and she understands the Fort Pierce PAL, although she does believe both Main Streets and the PAL organizations are kind of under the umbrella of the City. She knows they spent months and months hammering out rules and regulations for Grants - Programs & Projects - for facade grants, neighborhood grants, rental assistance grants. And they have rules and regulations in place for each and every one of those about how many times a year a single person or business can apply and a limit on the amount of money they can receive. They bit the bullet and they wrote out the rules and procedures there. Have they written any rules and procedures for these grants to private organizations?

Mr. Ward said no, not specifically; because those end up being repeat line items, as she had indicated.

Commissioner Coke said that is where it is getting to be a problem. Did these people actually come in and apply for a grant? Because they used to every year fill out a grant application.

Mr. Ward said he thinks what has happened as a practical matter, since the organizations that she is mentioning are typically funded as line items, what they do is about middle of the summertime they will approach him for a feeling of support on the part of this Board and to see if they are going to be able to include them in this year's budget. They ask if there will be funding for them. And in fact, in many instances they will ask for increases. And he will tell them no, there will be no increase, and in fact there may be a decrease in the budget. What he does is he gives them as what he thinks of as the temperature of the water and then he puts the line item down, and they can move as they want.

Commissioner Coke said her other concern is, three years ago these organizations (Treasure Coast Opera and Fort Pierce Jazz Society) were being funded for \$20,000. And then there was this special performance or that special event, and it went for another \$10,000. Then everybody was in trouble, another \$10,000. And now they have gone from \$40,000 total between the two organizations to \$40,000 each. She has always had a problem since she got on the Board expending public funds in this manner. She has supported it only because she was the lone voice saying that they should not be doing it when everyone else felt they should. She does believe that they should support these groups, but she thinks they should limit the amount to \$20,000 a year. And she thinks after five years they either need to be self-sustaining or find another pocketbook to draw from.

Mr. Ward said being the Devil's advocate in this matter, the City of Fort Pierce has an image and a lifestyle that they are particularly proud of and he knows everyone on this

Board is. There is a marked difference in the atmosphere and the perception of this City versus some of their neighbors. A number of their neighbor cities, including the ones that folks generally think of as being more successful and having more money and that sort of thing, they look hungrily at the City of Fort Pierce because of some of the quality of life and some of the assets that they have that they either do not have or are trying to develop, not from a sense of competition, but from a sense of trying to give their residents a similar sort of sense of place and lifestyle. They have in Fort Pierce some absolutely wonderful assets that are hard to define. The example that he would give them is, back early in February or March of this year he was sitting down at the Marina on a really pleasant Thursday evening listening to a jazz singer on that portable stage that the Jazz Society was having a concert that night. At the same time, two blocks away on 2nd Street it was Bike Night, and there was real raucous rock and roll band going and 2,000 or 3,000 people sitting up there. There was 750 or 800 people at the jazz concert and a couple of thousand people at Bike Night. And amazingly enough, coming down the street in their best regalia, were folks on their way that same night to the Opera at the Sunrise Theatre. So they had Opera and Jazz and Rock N Roll. There were motorcyclists and a whole diverse population.

Commissioner Coke said she thinks that is great and she does understand what he is saying. But what she is trying to say is, over the years with the advent of the Sunrise Theatre, they have not only increased their monetary supplement to these arts organizations from \$20,000 to \$40,000 and it is a line item. But she thinks in actuality if they left their level of funding at the \$20,000, they have made an in-kind contribution by the fact that both of these organizations avail themselves of the Sunrise Theatre at a much reduced rate, do they not?

Mr. Ward said no, he does not think they do. He would suggest also that when they are looking at these non-profits, that they not start segregating just the arts organizations, because they are similarly increasing their contributions to all sorts of non-profits that have nothing to do with performance skills. They are adding to programs that are very limited as far as their public benefits are concerned. They fund any number of programs that take place within very specific clubhouses or very specific memberships that do not have in many instances the kind of public benefits that they derive from some of these other organizations. So when they start thinking about organizations they fund, there are a great number of them that have been in line for lo these many years. And he does not line out Club Utilitas or some of these other folks. Not picking on them. He is just saying these are the same folks that also come in annually for funding and their funding has increased as well. So he thinks when they look at this they need to look at it on an equitable basis and not segregate that.

Commissioner Coke said she was going to get to that. She is just on Page 20. They have not turned to Page 21 yet.

Mr. Recor said this is another very good discussion, the level of funding to private organizations; and he thinks it ties back to discussion that they had at their last budget workshop where they asked them to think about the percentage of funding of the FPRA resources that is allocated to x-category of expenditure. He thinks they can tie these two things together. As their administrators, what they will do is go back and help them define and develop a policy that limits the length of time for non-profit agencies and aid to private organizations, and tie that to x-percentage of resources that they are willing to commit to that category of expenditure. They can do the same thing for programs and projects. The bulk of their resources should be committed to capital projects, capital reconstruction, nuts and bolts, what they can put their arms around, what they can see. That is not to say that they cannot commit resources to this kind of expenditure. But there should be a policy statement on the kind of resources that they are willing to commit.

Commissioner Coke said now that Mr. Recor brought that up, they had talked at length at the last budget workshop about getting a breakdown of what percentage they spent on

rental assistance grants and facade grants and all those kinds of things. Have they had the opportunity to pull that together?

Mr. Ward said no.

Mr. Recor said they are pulling that together, but they are not prepared to talk about it today.

Commissioner Coke said but they want her to talk about the budget and balance it today. It is very difficult for her to do that without understanding where that money is going, what percentage they are spending.

Mr. Recor said he thinks they are on the right path in terms of having this discussion. The Board can give them direction today. But in terms of having that historical data and how they have spent the money, he thinks this budget goes back to 2006, they can see the level of expenditure and draw conclusions in their own mind.

Commissioner Coke said she thinks they try to confuse her. She is looking at Line Item 8340 on Page 21. It says Actual 2007, they spent \$412,000. Projected 2008, \$45,000. And Proposed 2009, \$575,000. But the change is zero. She is not getting it.

Mr. Recor said he noted in that last column the percentage changed, that the formula did not add up in certain areas.

Commissioner Coke said from \$45,000 to \$575,000, that is certainly more than a zero percent change.

Ms. Johnson said the formulas are actually based on the adopted budget for 2008. A lot of these things were kind of like re-categorized, they reclassified them. If they are comparing 2008 to 2009, there was no budget for 2008, so there is no percentage change, because there was nothing for that particular line item.

Commissioner Coke said but they spent \$45,000. How did they spend \$45,000 if they budgeted zero?

Ms. Johnson said they reallocated a lot of the... The \$400,000 in business grants, it is up there at Line Item 8250, they reallocated that down to the other line items. They set up new line items. So there was no budget for it she guesses she would say sort of.

Mr. Recor said he can respond directly to her question. They anticipate expenditures during the fiscal year. As expenditures occur, they may not have anticipated it in a particular category. So as those occur, those then are budgeted into or fall into the correct category. While they may not have started out at the beginning of the fiscal year anticipating that they were going to spend \$45,000, they ultimately did. But for purposes of knowing how to budget in the future, that is how that expenditure is projected.

Commissioner Becht said he thinks they maybe missed something that she was getting to that he was going to get to later. Page 20, Line Item 8320, the Adopted 2008 budget was \$90,000 and the Proposed 2009 budget is \$121,500. The percentage change is zero.

Mr. Recor said again, he would say that the formulas are wrong. He has raised this issue with staff. Obviously they just did not catch it or did not correct it.

Commissioner Becht said he is okay as long they have acknowledged that they as Commissioners should not rely on those percentages because they are not accurate. They are still short \$400,000 with the FPRA, so they are going to have to find somewhere where they are going to do that - either off of the bullets that Mr. Ward proposed or some other creative juxtaposition.

Commissioner Coke asked can she make a suggestion? They allocated \$350,000 for weatherization last year that she assumes is going to be a carryover for this year. Then she sees that they are proposing putting in an additional \$500,000?

Mr. Ward said no. He has added \$150,000 to it which gives them a \$500,000 weatherization budget.

Commissioner Coke said some place along the line it would be very helpful if they had carryover figures by line item. Because if they did not spend that \$350,000, she is looking at Proposed 2009, she thought from that \$500,000 figure that he was proposing to put an additional \$500,000 into it.

Mr. Ward said no, he was not.

Mr. Recor said on the Detail Summary of Revenues, it shows the carryover for operating at \$2 million. They knew that additional resources for weatherization was a priority. They brought forward the \$350,000, added \$150,000 to it. But in good conscience could not take it to \$700,000 or \$750,000 which was suggested, knowing that they were already \$1.5 million short. That is not to say that today, if they still want to increase that to \$700,000, they could do that. But the challenge then is the \$400,000 number just got to \$600,000.

Commissioner Coke said that \$500,000 could be sitting there for another eight, nine, or ten months.

Mr. Recor said they understand that this is a priority. They understand her frustration. She is going to see some progress. She will absolutely see weatherization monies expended in this fiscal year.

Commissioner Becht said \$45,000 for the Betts Building on Page 18. That is listed as an outlay. But shouldn't that be listed as revenue where the Historical Society pays them the \$45,000 grant back?

Mr. Ward said he had a conversation with Brad Culverhouse the other evening. The reason he plugged this in was that there is going to be one of two ways of settling this issue. One way is they are going to buy the land; and the other way could be that the Historical Society is going to keep their land and give them back the \$42,000 or \$47,000 in grant funding FPRA had given them. He had not anticipated the \$47,000 coming back to them in revenues anywhere. He was just plugging a number in, in the event should they happen go down that course. If they do not want to entertain picking up that land from them and pursuing them for the grant refund, they can take that \$45,000 out. He was just looking at a contingency.

Mayor Benton said he is going to find some money right here. The Orange Avenue Post Office (stabilization at \$320,000). He thinks they have all decided it is time to market that. With the groundbreaking of the Federal Courthouse coming real soon, that would save them \$320,000. He would hope that they could put conditions when they market that, that with the purchase of that, they could follow through with maybe the grant that the City acquired, but also keeping it intact as that historical site. He is sure attorneys would love to keep that facility the way it is, just spruce it up. They did the roof, right?

Mr. Ward said no, they have not done a thing to that building yet. They have gotten the grant from the State. The \$320,000 will give them matching money for the State grant. If they pull this item and do not do the work, then they would just give the money back to the State.

Mayor Benton asked didn't they partner with the County just to dry in the roof and mop it in so it did not leak?

Mr. Ward said yes, but the County has been backing away from their commitments on an ongoing basis.

Mayor Benton said send the County a bill. There is \$320,000 that they could...

Mr. Ward said if they do that, he is going to have to have some money illustrated somewhere in the budget because they are going to have to match something. If they want to pull \$150,000 out and leave \$170,000 in for the roof work, then that would be appropriate.

Commissioner Becht asked doesn't Mr. Ward have a corresponding \$300,000 in bond revenue that, if they pull this \$300,000 out...?

Mr. Ward said no. Where it was listed on the blue sheet, they will notice beside that an asterisk and it anticipates that coming out of operating capital.

Commissioner Becht asked so the \$300,000 is not reflected as revenue?

Mr. Ward said no. It is an expense. The only revenue that may be attached to that is the State grant.

Commissioner Becht said what he is trying to get straight is, if the budget as presented to them has the State grant which is roughly \$300,000, if they take out the expense of the \$300,000, they have to take out the revenue of the \$300,000. What he understood Mr. Ward say is the \$300,000 is not in there in revenue.

Mr. Ward said he mis-spoke. He thought they were pulling it out operating; but in fact on their previous blue sheet it is listed as a bond. So yes.

Commissioner Becht said lets start over, because now he is confused. What he understands the situation to be is they have \$300,000 worth of money available or in-house to do \$300,000 worth of improvements. If they do not do those improvements, they have to send the money back.

Mr. Ward said yes.

Commissioner Becht asked so is the revenue reflected in the budget that Mr. Ward sent to them?

Mr. Ward said no.

Commissioner Becht said so if they put the revenue in, it is \$300,000; and that is \$300,000 of the \$400,000 shortfall.

Mr. Ward said he is on the right theory. It won't be completely \$300,000 because the County has expended some funds for architectural fees. It has been reduced somewhat. But there would be a corresponding offset, yes. Whatever the amount would be, it would be correspondingly offset.

Commissioner Coke said so this is a little misleading then, because they have expensed this \$320,000 but they have not revenue any of the grant money that has come in to do that work.

Mr. Ward said yes. Has Ms. Johnson received that grant transfer from the County? He thinks it was like \$189,000 or something. Have they received that yet? He is not sure if they have. He thinks they were anticipating a transfer, but he is not sure that has happened.

Commissioner Becht said before he takes a scalpel to any other project, he would like to know how much of that revenue he could post. He does not want to cut something only for Mr. Ward to come back later and say he has... If the bond was \$320,000 - and he is hearing Mr. Ward say it is not - it would match the expenditure completely, but it leaves him \$80,000 short in balancing the FPRA budget. So he does not need to take a scalpel to anything else. Because if they are \$80,000 apart, he is going to send it back to Mr. Ward and tell him to balance the thing.

Commissioner Coke said just cut it from community-based grants.

Mr. Ward said they can take the \$45,000, for instance, right out of the Betts Building. If that is not going to be an anticipated expense, take that away.

Commissioner Becht said all of them, with the exception of Commissioner Alexander who is not here today... How much more does he need direction from them on? Does he want them to find another \$100,000 consensus for taking it out of here or...

Mr. Ward said if they are going to take this out, it will bring them to \$115,000.

Commissioner Coke said they are not saying take it out, they are saying add in the revenue that...

Commissioner Becht said no, Mr. Ward is missing his point. They do not save anything by taking it out; because if they take it out, he has not even put the revenue in. So he does not see if they take \$320,000 out, he does not see that they save anything. Because if the budget were done accurately, there would be \$200,000 more revenue in it from this bond.

Mr. Ward said that is true.

Commissioner Becht said so if he uses that figure, the \$200,000 in revenue is not reflected in this budget. With the cuts they have already made, they are \$400,000 from balancing. So now they are only \$200,000 from balancing, if he is keeping up with his math.

Mr. Ward said yes, with the additional revenue.

Commissioner Becht asked is there anybody else in the room that is on the same page he is on?

Commissioner Coke said yes.

Ms. Johnson said yes.

Commissioner Becht said so that is where they are, they have to find \$200,000 more in cuts, or send it back to staff if they are that close and tell them to find it without cutting any projects.

Mayor Benton asked can he make a suggestion? Normally halfway through the year, Mr. Furst (St. Lucie County Property Appraiser) sends them a letter and a check saying he underestimated. Mr. Furst is very conservative and they usually get a check for a little bit more funding. The general fund, and he would imagine the FPRA, is going to see that this year too.

Ms. Johnson said FPRA does not usually see any difference. They take into consideration 95%, they only use 95% as a figure for the FPRA, not the entire 100%.

Mayor Benton said he has a problem with the stabilization work at St. Anastasia. They have done the roof, the fence is gone. There is no plan for that facility, but there is \$350,000 there. Can that be narrowed down?

City Manager Beach said unless Mr. Ward or Mr. Recor want to state it differently, with the direction that the Commissioners have given, they can make this work. They do not need to identify the other \$200,000 at this point in time. If the Commissioners are comfortable with where they are, let Staff resolve that, because there are number of ways they can resolve it. Do Mr. Ward and Mr. Recor concur with what he just said?

Mr. Ward said they are fine with it.

Commissioner Coke said she just wants to make sure that when she goes to look at the finalized budget next week, she will know what is going on. They have taken out \$670,000 for 301-311 South Ocean Drive. They have taken \$225,000 of the \$477,000 out of the black box space at the Sunrise Theatre. They have taken out \$200,000 for legal contingency. And they have added back in the income that was not reflected in the budget that they are receiving for the Post Office weatherization. Which puts them at \$1.3 million and they were short \$1.5 million. Did she recap accurately where they are at?

Mr. Ward said that would be accurate, yes.

Commissioner Coke asked Staff is going to find another \$200,000?

City Manager Beach said they will make this work. He is reluctant to go into it because he is afraid it might generate more discussion.

Commissioner Coke asked he will make that work without terminating any employees?
City Manager Beach said yes.

City Manager Beach said they are at the Solid Waste Fund. Is the Commission ready to take that on? Mr. Hopkins will give an assessment of his analysis of the once per week refuse collection, as well as get some direction regarding holiday refuse collection.

Commissioner Becht said he does not know what the consensus is here. He has read the material and he is not interested in going down to once a week for residential garbage collection. The memo they got says it would save \$1.20 a month or something like that. And he found it amusing that conversely stated, for \$1.20 a month, they can add an additional third time a week pick up, and he says that somewhat sarcastically. But he is not interested in dropping down to once a week. So if there are two others that are not interested, then they could save the presentation.

Commissioner Sessions said he concurs with him. From a sanitary standpoint, he just does not think it is safe for the City. When they look at the amount of money they are saving, it is a very small nominal amount.

City Manager Beach asked do they have three of them in accord?

Commissioner Coke said she would agree with that.

Commissioner Becht said he is glad they looked at it. It was worth looking into.

Mayor Benton said he originally brought this up. He finds it hard to believe that it would only save that much, but he does not want to go into details. He just felt with trucks that get two miles to the gallon at a time when they are looking... They all talk about green, it is time they all have to give up something. It was worth looking into, he thanks Mr. Hopkins. But the figures would have to be a little more than that before it would be considered.

Commissioner Coke asked can they just get the dollar figure they would save annually on holidays?

Mr. Harold Hopkins, Director of Solid Waste, said on the one day a week pickup, that was put in there with a plan. If they went to one day a week, they would collect garbage Tuesday, Wednesday, Thursday, and Friday, and they would dodge those...

Commissioner Coke asked if they kept trash pickup at two days a week, which is what they currently have, and eliminated the overtime expense, the fuel, and the wear and tear on the vehicles for holiday collection, can he tell them what the savings on that would be?

Mayor Benton said he thought he saw somewhere it would be around \$45,000, if he recalls correctly.

Commissioner Coke said that is what she saw. She does not know about everybody else's neighborhood, but she will guarantee when she rides around her neighborhood on Memorial Day or Labor Day, nobody puts their garbage out and she hears the trucks riding around.

Mayor Benton said a lot of his neighbors look to him if he puts his out. They should let their folks have those holidays off and save \$48,000. It has not hurt any of them, because half of them do not put them out anyway.

Commissioner Coke said better than half of the people.

Mr. Hopkins said what they say is true and he has no problem with that. The issue would come in the commercial collections. They have before them a packet that relates primarily to the commercial section. On a typical Monday, they run five trucks and they collect 181,000 lbs of waste from 373 customers. That packet shows every customer they dump on a Monday, there is 373 of those, including the schools and the college. The problem with commercial historically, if per chance through the storm or they do not run on the 4th of July, Thanksgiving, or Christmas, they double back and take care of those customers. Of course, it takes more trucks and more people. But commercial people with dumpsters are a bit different than the residential. He has compassion for both of them, but they have to service those commercial accounts.

Mayor Benton asked how much would it be to just eliminate the residential on a holiday?

Mr. Hopkins said it would go from \$45,000 a year down to \$28,153.

Commissioner Becht asked why shouldn't they save that \$28,000?

Mr. Hopkins said it would cost \$17,088 to run commercial on holidays. So \$17,000 from the \$45,000 is \$28,000.

Commissioner Becht said Mr. Hopkins is the administrator, the manager of that Solid Waste program. What is the downside to cutting that service out and saving \$28,000? Mr. Hopkins pointed out the downside on the commercial. Is there a downside to not...

Mr. Hopkins said one downside would be if they have a storm like they had this week (Tropical Storm Fay). Obviously they missed a day, but luckily they were back in there again before the week was out. If they were a one day a weeker, then they would have to wait a two-week period.

Commissioner Coke said no, they are not talking about one day a week. They are talking about...

Commissioner Becht said the isolated issue that he needs a response from him is...

Mr. Hopkins said he got off track. It is not a real problem for Solid Waste. It is an imposition somewhat on some customers. But as they say, a lot of folks do not put it out on holidays.

Commissioner Becht said it is \$28,000 and they voted overwhelmingly that they want them to save dollars. So if he can save \$28,000, he is asking what is the downside of cutting the service out?

City Manager Beach said if they decide to do this, if they cut it down to letting them off on holidays, what they will get, each one of them will get phone calls after Labor Day saying they paid to get their trash picked up twice a week, they did not pick it up Monday, they want them to reduce their bill. That is what they will say. That is the only downside.

Mr. Hopkins said or they will want a credit.

Commissioner Coke said she will take that chance.

Mayor Benton said he will take that phone call. How many days a year are they talking about? Eight holidays. Most of those people that are going to call have that holiday off. So he would hope that they would understand. And most of those people probably voted for Amendment #1.

Commissioner Becht said if they call, the answer is Amendment #1.

Mr. Hopkins said it really gets back to public relations and how they want to handle it.

Commissioner Coke said at bare minimum they ought to eliminate residential pickup on holidays. She knows that they talked about commercial being different and the businesses are usually closed on that date. Would there be any cost savings involved if they were picking up commercial on Monday and they did not run at all on Monday but doubling up and picking it up on Tuesday?

Mr. Hopkins said he can't. They are running five trucks and they do not have enough trucks. 180,000 lbs of garbage is a lot of waste to recover.

Commissioner Coke said she thinks they ought to start with the initial thing of not picking up the residential on holidays and go from there.

Mayor Benton said commercial, a lot of the restaurants, that is a big day.

Mr. Hopkins said the schools. It is a tough day.

Mayor Benton said he would not support cutting commercial. But residential, he thinks they should give it a try. They have three that concur.

Mr. Recor asked the only other area that they need some clarification is, does their earlier determination regarding personnel apply in Solid Waste? This is the only other area in their financial operating plan that he is aware that they have a body affected for the next fiscal year.

Commissioner Coke asked how is that body going to affect his department?

Mr. Hopkins said not a problem. Matter of fact, the Maintenance Repair Worker they are eliminating, that position is not filled.

Commissioner Coke said so they are not actually eliminating somebody who is trying to feed their family or make a mortgage payment.

Mr. Hopkins said not in the bargaining unit. He is eliminating a Fleet Manager.

Mr. Recor asked has the person left?

Mr. Hopkins said no, he will leave the last day of September.

Mr. Recor said it is a position that is filled. That is his point and that was the point earlier.

Commissioner Becht asked how much?

Mr. Hopkins said \$57,000. They had built an organization to address the massive growth. As they as they know, they had tons and tons of subdivisions and condos planned. They were preparing for additional trucks, additional people. At the moment, it is not there, so he cannot justify...

Commissioner Coke said so this cut would be more in line of not a budgetary item, but it is no longer a necessity since their growth did not occur.

Mr. Hopkins said that is right.

Commissioner Becht said it is a management decision.

Commissioner Coke said that is a whole different thing. That is what she was trying to say before, if it is a legitimate cut for performance or the job is no longer a necessary job, that is one thing. But to cut it because of budgetary constraints is a whole different thing.

Mr. Hopkins said as a matter of fact, this gentlemen was advised in January of this year that this may come. He was told the first day of June that this was the real world.

City Manager Beach said he believes they have direction.

Commissioner Becht said the Solid Waste Department is going to make an \$800,000 transfer this year as well. Is he going to be able to do that?

Mr. Hopkins said \$800,000 plus he believes, probably a nickel and dime here and there. He is told that the money is there.

Mayor Benton asked no rate increases this year, right?

Mr. Recor said if there aren't any other questions on any other area...

Mayor Benton said he has one. He thought everybody had a copy of the memo about the Humane Society funding. He knows it is the General Fund. But this information, basically the City of Stuart and the City of Vero Beach pay nothing. Martin and Indian River County pays. His concern is what Fort Pierce pays per animal. If they are paying \$83 per animal in Indian River County, he just thinks that they should be paying comparable per animal. Fort Pierce is paying \$115 or \$117 per animal. Everybody else that he had looked into some time ago was paying somewhere around \$85. He thinks Indian River County is. He does not know why it is costing so much more here per animal. He thinks it is time that they address it. When he came on this Commission, they paid \$85,000 a year or worked with the Humane Society to the tune of \$85,000 a year. Last year it was \$277,000 a year. He is hoping spay and neutering and everything else will help ease the pain. But he thinks these numbers are pretty staggering compared to what the communities around them are paying.

Commissioner Becht said he appreciates the Mayor getting the information. But in Martin County, they apparently do not have any dogs in the City of Stuart because the county is picking up the whole tab for the Humane Society down in Martin County. And the same situation in Vero Beach, because Vero Beach is paying nothing for abandoned animals and

whatnot. Here in Fort Pierce, they are paying in excess of \$200,000 a year. As he understands it, Port St. Lucie is also paying a big chunk of money for animal control. The question he would put to the County - and when he says St. Lucie County, he is talking about the County government - why are they not picking up the tab as their sister counties are in both Martin and Indian River?

Commissioner Coke said she thinks it is an oversight on their part. They did not recognize that animal control fell under the broad shoulders of the County. She thinks they ought to give it right back to them.

Commissioner Becht said he has resisted her attempts to establish a parks and recreation department. But that \$250,000 or \$275,000 would go a long way toward hiring a couple of people to run a parks and recreation department. And they can let the County pick it up out of their \$360 million budget instead of Fort Pierce picking it up out of their \$40 million budget.

Commissioner Coke said if they remember the last time the Humane Society came in front of them for an increase, she asked them very specifically how many more dogs and cats they were handling a year and the answer was zero. But they had hired a number of additional personnel. She thinks as with everything in government or that type of organization, if they are not footing the bill and they do not have to turn a profit, they just send a larger bill to the municipalities, it is easy to grow.

Commissioner Becht asked would Mr. Recor add that to the list to be discussed with the County Commission candidates? It would be nice if they had actual per animal costs when they sit down with them too. He is glad they got the information. because he is flabbergasted at both Martin and Indian River Counties. If they can get the information on Okeechobee, it would be interesting.

Commissioner Coke asked is there a way they can just tell them to go to the County?

Mayor Benton said when he brought this up, all he was looking for maybe in this budget was to bring it back down to the \$85 so they could save a little bit.

Commissioner Coke said she thinks part of the problem is they get charged for more animals that are not necessarily theirs.

Mayor Benton said he had asked for inventory back in the first three months of this year of the animals that were charged to the City. There weren't a lot, but there were a handful of animals that were charged because they had a Fort Pierce address, like Lakewood Park. Also, if people dropped off a litter of kittens, say seven animals that were charged to their facility on Savannah Road, who knows where in the County they came from? It was not a lot, it was not really enough to worry about. Years ago when they did raise it up it was because it adds to the blight in the community and he thinks they should pay their fair share. But he thinks they are paying more than their fair share when everybody else is... At least paying the \$85 an animal, that is where he was going. He would like to see it come down to that until they come to a solution with the County. He does not want to throw it back at the County who has already finished their budget and say they cannot do it and put a hardship on the Humane Society.

Commissioner Becht said he does not want to create a hardship on the Humane Society, he does not want to create a problem for the City with a whole bunch of dangerous animals wandering around that needs to be picked up. But philosophically, they are all County residents, they all pay County taxes. And if he lived in Martin County, his county taxes pay for the Humane Society. Why is it different in St. Lucie County? It is only different because they allow it to be different. He thinks it is time that they stood up for themselves and said those County tax dollars from Fort Pierce residents need to be used for a Humane Society that covers all county animals, not just the animals in the unincorporated area.

Commissioner Coke said as long as they are looking at this, the interesting figure to her would be to have in addition to what Martin County pays annually and what Indian River pays annually. She sees Martin County is a contract and Indian River is per animal. She would like to know how many animals each of them handle versus how many animals they handle in St. Lucie County, because if they are handling a comparable number... And how much is their Humane Society getting between the two cities, St. Lucie Village, and St. Lucie County? How much do they collect annually and how many animals are being taken care of?

Mayor Benton said he thinks it is over \$750,000 between the two cities and the County.

City Manager Beach said he would encourage the Commission not to have this discussion without involving the Humane Society in that discussion. They will have the statistics and the numbers that he thinks will help them make decisions and set some direction.

Commissioner Coke said she agrees, she would not want to make a decision without input from them. But she thinks they need to collect their data independently. Because if the Mayor is correct and it is \$750,000, that is almost \$250,000 more than they are paying in Martin County and almost \$500,000 more than they are paying in Indian River County.

City Manager Beach said but their population is...

Commissioner Coke said that is why she said they would also need to know how many animals they are handling per year.

Commissioner Becht said he has one more issue about the budget. He would not have expected them to fold in issues that have become apparent because Tropical Storm Fay. But under Community Development Block Grant or FEMA dollars, he wanted to ask and this seemed to be the appropriate environment to ask, how are they processing that, who is processing that for FEMA dollars for infrastructure improvements that they are going to need to their City because they now know they have had some flooding?

Mr. Recor said their Public Works Department has been keeping accurate records. They also have their contract employee who has been working with their Risk Manager to make sure that they have accurate records for federal reimbursement.

Commissioner Becht said because they have had asphalt covered with water. They all know that the potholes will start popping up six months, eight months, or eighteen months from now because of damage because of that.

Mr. Recor said fortunately they have staff that has been to this dance before and knows exactly what needs to be done.

Commissioner Becht asked have they photographed it, the high level of the water?

Mr. Recor said the Police Department actually took a helicopter in the air, took video evidence. Public Works has documented through photography. They think they have the necessary documentation.

Commissioner Becht said they are on top of that and they are going to be filing for FEMA dollars.

City Manager Beach said they are absolutely on top of it.

Mayor Benton said they just need people to document the flooding. The Police Chief did the reverse 911 calling people, asking if they did have flooding. He thinks they looked at somewhere between 400 or 600 homes. He brought a map out to the EOC the other day

and gave it to Secretary Sole with Florida Department of Environmental Protection of the areas that did flood that their staff had put together. He noticed some of the areas like Beach Court and specifically Oakland Park that were not circled on that map, he witnessed homes with water in them. So that is something that he will be discussing Tuesday night at the Commission level.

Commissioner Becht said that is one of the areas he wanted to mention, because they are ahead of the game with that area because Hector Arias (former City Engineer) actually had done some preliminary engineering and design work for that area incident to the NEAT program with remedies to a situation that is there. But the FEMA disaster, they should have FEMA dollars to assist them with that infrastructure repair, renovation, or redesign. But they should be ahead with the design work he is saying.

Mayor Benton said the other thing was, some of the older bridges, they were looking along Moore's Creek for erosion around the bridges. So as soon as the water went down, they are documenting all that. The numbers were pretty staggering that Doug Anderson (County Administrator) had given the federal government the other day. They just have to back it up now. Bell Avenue now is in the City limits.

City Manager Beach said they have an ongoing damage assessment. They may be in a position to provide that by their next Commission meeting. But once that damage assessment is complete, they will be provided with a complete copy of it and what they are doing as a result of it.

Commissioner Becht said that can help mitigate several of their budgets, whatever they can get.

Mayor Benton said it may take years though.

Commissioner Becht said the sooner they start, the sooner the pay day. He just wanted to bring it up and make sure everybody was coordinated on that.

Mr. Recor said today was intended to be their last Budget Workshop. They believe they have sufficient direction to complete a financial operating plan for FY09. If there is any other feedback, they certainly welcome it. The schedule they have identified has their first Public Hearing set for Monday, September 8, 2008, at 5:05 p.m. That is not a regular meeting of the City Commission, so this will be the only matter of business that will be scheduled. The second Public Hearing will be at their regular Commission meeting on September 15th, a Monday evening. They will also have the first reading of the Ordinances which adopt the budget. And then the final Public Hearing will be on Monday, September 22, 2008.

Commissioner Becht asked when will they have the revised budgets back?

Mr. Recor said they will have those before the September 8th first public hearing. They will have it a week ahead of that.

Commissioner Becht said Mr. Recor is working back from that date, but he wants to work forward from today, because they gave direction today. It seemed to him with the percentages and with the shuffling and the unaccounted revenues in the FPRA budget, there is a lot of tweaking. He is more concerned about the tweaking that needs to go into that. Will they have that Tuesday, Wednesday, or Thursday of next week?

Mr. Recor said the FPRA budget they will receive for their September 24th meeting. They actually have to take off their City Commission hat, put their FPRA hat on for FPRA. The schedule he has identified for them here applies to their General Fund.

City Manager Beach said the question is, when will they get the actual documents to review prior to the public hearings?

Commissioner Becht said yes. Because it is fresh in everybody's mind now and he does not know that they need to wait until September 23rd.

City Manager Beach asked when will the revised documents be sent to the Commission?

Mr. Recor said they should be able to complete the document by the end of this week and have it out to them by the middle of next week.

Commissioner Becht said for the record, Mr. Ward had yelled from the back that it will be mid-week next week.

Mayor Benton said he wants to thank staff, this year they have done an exceptional job. He thinks this is their fifth workshop. They had one earlier in the Spring setting direction. Balancing a budget with very little effect, especially in this economy, so he thanks them for all their diligent work.

The Budget Workshop ended at 11:22 a.m.

