

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 FRIDAY, AUGUST 28, 2009.

Mayor Benton called the meeting to order at 9:05 a.m.

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

The purpose of the Budget Workshop was Discussion and Finalize Fiscal Year 2010 Building & Code Enterprise Fund, General Fund Budget, Solid Waste Enterprise Fund, and FPRA Budget.

City Manager Recor said there is light at the end of the tunnel. He thinks this year's budget process has gone very smoothly, given the state of the economy and issues they have been facing. Today he would like to encourage and he will do his best to keep them focused, but at the 30,000 foot level. What staff has done is responded to the feedback the Commissioners provided at the August 12th Budget Workshop. In their packets they will see that Changes at a Glance table they used at the last budget workshop to kind of guide the discussion. There is one more handout that he thinks further simplifies the changes since Draft #2 of the Proposed Budget. They have prepared basically a cut-sheet for each Department that highlights the differences between Draft #2 and Draft #3. They left off with the discussion of the Building Department and the revenue projections and the cuts that were proposed in the Building Department, so that is where they are going to pick up this morning. Then what he would like to is move back to the General Fund and review the results of the Voluntary Separation Incentive Program (VSIP). And then they can go through the adjustments that were made in response to their consensus on additions to the budget. The Enterprise Funds where they agreed on, he did not include them on the Agenda. They need to review Solid Waste and then finish up with the FPRA. However, if they want to get into an item or a budget that is not included on the Agenda, they have that information and staff is prepared to respond.

City Manager Recor said at their last Budget Workshop there were a number of questions regarding the revenue projections in the **Building Department**. One of the first handouts in their packet is a quantitative forecast for the Building Department revenues. He went back to Fiscal Year 1998 through Fiscal Year 2008 and identified the revenues and the different categories of revenue as well as the actual expenditures for what was characterized as building inspections - which is the Building Department minus Code Enforcement as they know Code Enforcement today. They will see that the Building Department's revenues basically come from Building Permits, Inspections, Other Permit Fees, and Contractors Licenses. The Inspection Fee was not actually implemented until Fiscal Year 2003. The handout that is identified as Building & Code Actual Revenues & Expenditures is the dataset that he used to do a quantitative forecast for Building Department revenues. He talks about qualitative and

quantitative, but there are actual techniques under each one of those forecasting methodologies. There is a naive forecasting methodology, judgmental, consensus, expert, and even a delphic technique; but those are all non-statistical techniques. What he wanted to do to give them a better idea or a better comfort level with their revenue projection was to use a quantitative approach - econometric forecasting, regression analysis, time series, or trend analysis. So he chose to do trend analysis using the dataset that he included as the first handout. What they will see is that he has identified the actual revenue and then calculated the growth rate between each period. They will note that on average the Building Department fees total \$888,000 a year. But when they look at the growth rate, there is a wide spread in the growth rate. There was one year where the period change was 70%. There is another year where the period is a minus 51%. So that is a huge spread.

Commissioner Alexander said he understands Mr. Recor is trying to give him an analysis. But he did receive a memo (from Marc Meyers dated August 27, 2009). One thing that caught his attention, he doesn't see it in his trend analysis. It says as of September 30, 2008, there was a Total Excess Revenue surplus of \$2,841,000.

City Manager Recor said this is the dataset. Is this what Commissioner Alexander is basing his question on?

Commissioner Alexander said no. But he will let him go ahead and finish his report.

City Manager Recor said the trend analysis he just summarized for them shows the extreme differences in the growth rate. But on average for the last eleven years, the Building Department has collected \$888,000 in revenue and the growth rate has been 4.61%. So when they use trend analysis to forecast revenues, they generally take the lowest and the highest and then base their assumptions on where they think they are going to be during that time period. Using the lowest rate of change statistic in the dataset is going to generate a very conservative revenue forecast; whereas, if they use a larger growth rate change statistic, it is going to give them a more optimistic revenue projection. One of the underlying assumptions of trend analysis are that the revenue source will continue to exhibit the same trend or pattern over time, and that the trend line is going to fluctuate over time in a predictable direction. Clearly that is not the case here. So in order to accommodate the extreme fluctuation, they need to smooth the data. Exponential smoothing is one statistical approach that allows them to overcome that difficulty by applying weight to the most recent data. So he took that dataset and using FY 2009, where they think they are going to be - and this is included in their budget book - he projected revenue this year of \$1.2 million. Their actual revenue, it is still estimated at this point; but Gloria Johnson, Marc Meyers, and he have discussed it and do not see any reason to believe that is going to change. The smoothing formula, which simply develops an approximating function that attempts to capture important patterns in the data, is the forecasted revenue would equal the projected revenue plus the quantity of the actual

revenue minus projected, given the weight they assign to it. A weight closer to zero is going to have a substantial smoothing effect, while a weight closer to one is going to have a more modest smoothing effect. They can see using that smoothing approach, the projected revenue for Building and Permits would be \$482,250. What they have in the budget is \$496,000. So they are within what he would say is a reasonable proximity that it is not enough for them to be concerned about. However, if they had estimated it to be again \$1.2 million, the trend analysis after it had been smoothed would suggest that they were way off. They might ask, how did he decide what number to use, what percentage to use between zero and one? There is a statistical approach to determine that. He did not take it to that level in terms of mean squared error or mean absolute deviation. But once he smoothed the data, he was comfortable with the revenue projection for that one source of revenue. They can do this for every revenue category in the book. But he just wanted to give the Commission a better comfort level using a quantitative forecasting method to show that at least for building permit revenue they are within what he believes to be a comfortable range. That is their statistic class for this morning. They can move on to the expenditure side.

Commissioner Alexander asked in the memo he received from Mr. Meyers and the figures Mr. Recor is giving out, why are they not on the same page? He is looking where it says projected revenue for 2008-2009 was \$1.526 million and that they had a surplus of over \$2 million in 2008. If all that was said and done, why would the Building Department be where they are now today in 2009?

City Manager Recor said that is Mr. Meyer's belief that there is a \$2.8 million surplus.

Commissioner Alexander asked he never brought this before Mr. Recor before today?

City Manager Recor said yesterday.

Commissioner Alexander asked he never heard of these figures before yesterday?

City Manager Recor said he used 11 years worth of actual budget documents to develop the dataset he used for that quantitative forecast.

Commissioner Alexander said it is kind of disturbing to him. First of all, he thought these packages were supposed to come in a timely fashion. But then he didn't mind because he didn't want to be a knot on a log sitting up here, not knowing what is going on. But when he reads things from the Department Heads and he sees a Department Head hadn't offered any insight in what is printed with Mr. Recor's figures... He is not going to get into a debate.

City Manager Recor said he is the City Manager.

Commissioner Alexander said he is a City Commissioner. So when

he reads things, that means he don't throw it in the garbage because it is a document from the City of Fort Pierce. So he has to read what he receives and try to better judge himself and how to present himself. Again, how was it projected revenue and no one has seen these figures of \$1.526 million?

City Manager Recor said he really doesn't know where Commissioner Alexander is going. He can have Mr. Meyers come up and respond to his memorandum.

Commissioner Alexander said he will let Mr. Recor continue what he is doing.

Commissioner Coke said the problem she had with the memo was it says that the projected revenue for 2008-2009 was woefully over-estimated at \$1.5 million and the Department Head is saying he can't offer any insight on how this happened since he was never consulted. That is the sentence she has a problem with. Every single year every Department Head shows up here, they see the budget, they know what it is. If Mr. Meyers had a problem last year with that budget, saying it was woefully over-estimated, he had ample opportunity to stand in front of this Commission when the budget was presented last year and say they are going to be in trouble because there is no way that is what their revenue is going to be. The budget was passed and the expenditures were approved, and they have a major shortfall, now a year later it becomes, "Gee, I didn't know". She has a problem with that. Last year is when it should have been brought up, not this year. Every Department Head has input into their budget. If they don't, they should. That being said, if they disagree with their budget, every single one of them stands up here and talks to them at the beginning of the year and says, yes or no, or this is going to put him in a bind, or this will work, or this is their projection. So last year is when he should have been saying they are never going to make this estimated revenue figure, not this year.

City Manager Recor said that is a good point. If they recall, in their very first budget workshop he began by saying they made some fatal flaws, some fatal assumptions, in the budgeting process last year. They were projecting to collect 100% of their ad valorem taxes when they know that is not the case. Woefully over-estimating their building permit revenues; yet when they look at the trend analysis, that is not the case. It grows, but it has been declining sharply. So her points are well taken.

Commissioner Coke said she thinks the point that she and Commissioner Alexander are trying to make is, they are here charged with being fiscally responsible with the taxpayers money and they have to put their faith and their judgment in staff, and at some point in time there needs to be accountability. They can't be eleven months into the year saying they are in trouble. She commended Mr. Recor, although she wasn't happy, when in April and May he said they have to do furloughs; but at least they looked early enough in advance that they could sidestep the problem.

City Manager Recor said that is exactly why they implemented the Quarterly Financial Reports, because that gave them an opportunity to make adjustments at an appropriate time. When he said to Commissioner Alexander that he is the City Manager, he didn't mean any disrespect to him. But the Commissioner has a memorandum from the Department Head. He is telling him this is his projection based on a quantitative forecast that he is comfortable recommending to the Commission. He is not comfortable recommending that they make assumptions that things are going to improve, because he doesn't think they are out of the dark yet. In his early meetings with Jeff Furst (St. Lucie County Property Appraiser), Mr. Furst said that next year is going to be better, but they are still likely to experience a double digit decrease in valuations. Hopefully the economy picks up and the projected Building Department revenues exceed their projection. But he and Ms. Johnson have taken a very conservative approach in preparing this budget because they don't want to have to make those kinds of adjustments after the first quarter or second quarter or a furlough next year. They want to be conservative in their forecast.

Commissioner Alexander said this memo was dated August 27th and directed to Mr. Recor. The thing that caught his attention was that Mr. Meyers says they had a surplus of \$2.8 million in September 2008. So he is telling him from that point in time, October 1st to now, they have to go into their General Fund to cover the shortfall?

City Manager Recor said the issue of whether there is a surplus in the Building Department revenue is fairly debatable. It is also the subject of a pending lawsuit they have. Ms. Johnson has a different opinion. It is actually a fairly complicated issue because there are only certain expenditures that are eligible to be paid for using those surplus funds.

Commissioner Becht asked has Mr. Johnson, who is their Finance Director, and with all due respect to Mr. Meyers, had a chance to review the memorandum to see if she agrees or disagrees with Mr. Meyer's compilations?

Ms. Gloria Johnson, Finance Director, said yes, she has.

Commissioner Becht asked does she agree or disagree with his figures?

Ms. Johnson said she disagrees with the numbers.

Commissioner Becht said that kind of lets them move forward. Mr. Meyers is not their Finance Director. He doesn't know what constructions Mr. Meyers put on expenditures or revenues. He doesn't know why he stopped going back at the year he went back instead of going back like Mr. Recor did to 1998. But so they can move forward, in his conversation with him, he heard Mr. Meyers say they were cutting his Department to the bone. He asked him - to the extent that he as one Commissioner can task him - to please review his Department, be certain they take his comments to heart. And he needs the City Manager to tell him whether those are legitimate concerns, or to tell him no, they

are not cutting it to the bone. Has he had the time to investigate Mr. Meyers concerns and tell him whether he agrees with him or disagree with him?

City Manager Recor said yes, he has. As a matter of fact, he did a walk-through with Mr. Meyers, met every employee to review the responsibilities of every position in the Department. He agreed with Mr. Meyers that the original cuts would have had more of an impact than he initially realized, so he reduced the reductions in that department to two Permit Specialists. The original reduction was to include the reduction of one Inspector and three Permit Specialists. What he learned in the walk-through was that although these positions may have the same title, they take on additional responsibilities that may have them doing things that weren't necessarily in job description of a Permit Specialist. If he were to lose one of those persons or positions that has taken on additional responsibility, then yes that would have had an impact because they take care of a particular piece of the process.

Commissioner Becht said in summary, Mr. Recor has added people back into his budget.

City Manager Recor said yes.

Commissioner Becht said thank you for that review because this is a very important department to the success of the City of Fort Pierce. He doesn't mean the government of Fort Pierce, he means the City of Fort Pierce, its citizens and its economic activities. He has changed his projected revenues, he thinks. His interfund transfers are not \$160,000, which is what he remembers the transfer was in the last Building Department budget, and they are now up to \$200,000.

City Manager Recor said that is correct, because they added additional money to cover the positions that they added back. Commissioner Becht asked did he change his projected revenues, which are totaling \$786,640, from the last draft they had? He is on Page 90 of Draft #3, the August 28th Budget. The last one, he does remember it was a \$160,000 transfer the last time. It is about a \$201,000 transfer this time. So Mr. Recor added \$40,000 worth of personnel expenses. Did he change the projected revenues?

Ms. Johnson said these are the adjustments they made (Changes in Revenues & Expenditures, August 12-26, 2009). The revenues were \$902,015 at their last Budget Workshop. They added \$36,640 to the Licenses & Permits and they added an additional \$48,645 to the Transfer from General Fund to take care of the \$85,285 in Personal Services they added back to the budget.

Commissioner Becht said his problem is, based on the conversation they had the last time, he thought the revenue estimations outside the transfer were high then, he thought they were like \$200,000 high back then. And now they have increased them by another \$36,000. Is Ms. Johnson as Finance Director comfortable with this forecast?

Ms. Johnson said it is like she told Mr. Meyers...

Commissioner Becht said that is a yes or no question. Then she can explain.

Ms. Johnson said yes, she is comfortable.

Commissioner Becht said then he is comfortable.

Mr. Marc Meyers, Building Official, said he has had an opportunity to look at the budget this morning, as it came out last night. He did have a conversation with Mr. Recor and Ms. Johnson yesterday. As he sees the budget, it is much more palatable. He can live with this budget with the assurance that the City Manager has given him, that when this thing starts to turn around, he can bring the people back that he has lost. He is comfortable with the budget as it has been presented.

Mayor Benton said he just received a letter from the Treasure Coast Builders Association. In the letter the TCBA addresses the permitting fees and imply that Florida Statute 553, with setting fees... The City hasn't taken a look at their fee schedule since April 2005. So if that is the case, maybe they need to take a look at those fees and update them. He thinks that is what the request is from the TCBA. If Ms. Offutt would like to come up for just one minute, he hopes the Commission doesn't mind, as they have asked for their input.

Ms. Nancy Offutt, Government Affairs Director of the Treasure Coast Builders Association, said they received a letter from Mr. Meyers months ago advising that the City Commission wanted their input relative to increasing the building permit fees and to collect fees up front, inasmuch as in this economy people would come in and ask for plan review and such, and then not pick up a permit, so they were having work done without being compensated. She wrote the letter saying thank you for asking for input and TCBA understands the situation and they don't have a problem with the City increasing the fees. However, they did ask in the letter to give them an accounting of the collection and disbursement of building fees and inspection fees over the years prior to 2005. The reason being that Florida Statute 553, which regulates the Florida Building Code, states that all funds collected on behalf of the Building Department - inspection fees, permit fees, fines, contractor licensing fines - must be segregated into an Enterprise Fund and accumulated for the sole purpose of enforcing the Building Code. As she did not receive a response to that, she went into the City's website and saw that in previous years... She knows they are setting up an Enterprise Fund for the 2010 budget. However, in looking at the budgets from previous years, she sees where the funds collected in the Building Department were not accumulated, but went directly into the General Fund. That is a violation of F.S. 553. According to F.S. 553, they always ask prior to a permit increase or something, what is the status in the Reserve Fund? Since she didn't receive a reply, she looked back and saw there is no Reserve Fund, the funds all went into the General Fund, which is a violation. So their interpretation of it is that all the funds collected back... Mr. Recor said he developed a trend

from 1998 to 2008. All those funds should have been reserved and accumulated in an Enterprise Fund or a Building Account or something. But segregated for the sole purpose of what is happening now, where they collect money and develop a surplus in the good times to cover their operations in what they are now experiencing, which are the lean times. Because as was stated, the Building Department function is to protect the public, that there aren't unlicensed people out there who are doing inferior work or not abiding by the building code. So that is the situation they wanted to determine, if in fact the City had accumulated the reserves over the years of those building funds that would tide it over now in the lean times. As far as she can see, that has not happened and it should have. She also sent an email to Mr. Recor on August 18th expressing her concerns for this information prior to coming before the Commission, because frankly she doesn't like to do anything that would be... It is awkward to come into the public and discuss these things that could be explained privately.

Commissioner Becht said they all have all been pushing to have ordinances that affect the building industry sent to the Treasure Coast Builders Association, so he appreciates her getting involved, taking advantage of what he considers an opportunity to have something to say before they actually adopt it.

Ms. Offutt said the TCBA appreciates that very much.

Commissioner Becht said they are also sending it to the St. Lucie Realtors Association, but he doesn't know if they had any response from them. But this would impact her industry dramatically. Her organization is comprised of people who pay fees in multiple jurisdictions, so they will know if the City might be out of line or they might be low. What she said and what he thought her letter said was, TCBA doesn't have a problem with raising the fees as currently proposed. Is that correct?

Ms. Offutt said yes, that is correct.

Commissioner Becht said her comments relative to whether they do or do not have a reserve, he doesn't have from their finance guru a statement today that they have a reserve or they do not have a reserve. They are trying to remedy a situation that she is commenting on today. It is in the middle of litigation. It was probably inappropriate for a non-finance person to make the calculations that apparently have already been sent out. Ms. Johnson, his finance guru, is the lady who is supposed to make that calculation and she will make it in accordance with the Florida Statutes. She is qualified to do that and will do that. They are now trying to remedy the situation Ms. Offutt has brought forth. They have been working on it for awhile. So he thanks her for commenting on the fees they are trying to deal with, he is comforted knowing that TCBA doesn't have a problem with the fees being raised. And they are trying to address the other concern she has.

Ms. Offutt said their primary concern is that there are enough accumulated reserves where they don't really have to increase

permit fees.

Commissioner Becht said she is not hearing him. Today as he is sitting here, his finance guru is not telling him that he has accumulated reserves.

Ms. Offutt said if they don't, they should.

Commissioner Becht asked how can she make that statement? If they go back 15 years, there is a subsidy of the Building Department. They don't need to debate this today.

City Attorney Schwerer said he is encouraging the Commission not to. He doesn't want to get into a debate and get side-tracked. This is a very detailed subject. The Legal Department has been over this with respect to not only the claims that are being brought in a lawsuit... Which by the way, this is a tangential issue concerning the reserves and how those are accounted for. He wants to assure them that in his conferencing with the Finance Director and the City Manager, the City is in total compliance with the Florida Statute, absolutely in total compliance. There is no requirement of an Enterprise Fund. There is a requirement of a separate accounting type of process. In order to make it clearer, they are working with the Finance Department to set that up. What constitutes a valid expense item is a matter of debate. That is also being worked on. He just wants to assure the Commission, without debating with Ms. Offutt, the City is in compliance, the City has been in compliance, and will always be in compliance with the law with respect to these fees. He does want to state that based on their examination of the records, when the law was changed in 2005 that allowed them to carry forward any surplus matters into subsequent budget years, it appears based on what he and Ms. Johnson have looked at with the assistance of the City Manager as well, that whatever surplus funds came from 2005 - which was, by the way, the very first year there was any surplus - all the years before that, as Commissioner Becht pointed out, there has always been a negative and the City's General Fund has been subsidizing the building activities. The only way to remedy that is to raise the fees to a level that the revenues equal the expenditures, that is the only way they can remedy the subsidy. Based on those reviews he had with the Finance Department, there are no surplus funds left. That is a finance issue and they can ask their Finance Director. But there is really no accounting due, there is no accounting that is necessary to do.

Commissioner Coke asked could they get back to the budget?

Mayor Benton said he just wanted to clear that up, because there was an issue out there. They will respond in writing to her concerns.

Ms. Offutt said they would like to follow up and discuss it with the City Attorney.

Mayor Benton said he is sorry they got off track, but he felt the question needed to be clarified.

Commissioner Alexander said when he receives a public document, that means that is not only for his eyes, but any member of the public. So if there is something erroneous, he doesn't want to leave this Chamber carrying that erroneous information. But again, they move on.

Commissioner Coke said before they move on from the Building Department, she looked at it and it was \$157,000 or \$158,000 coming from the General Fund to supplement the Building Department. She has a hard time with that. In her mind the Building Department, although they do other things, basically it is a service limited to a number of people and it should be more of a self-sustaining thing. They are losing Public Works people who provide for every single citizen in the City. They are losing or not gaining Police Officers who provide for every single citizen in the City. So she has a really hard time approving a \$200,000 transfer from the General Fund to the Building Department when those funds could be divided up in departments that better serve the entire City rather than a small portion of the City.

City Manager Recor said he appreciates Commissioner Coke's feedback. The Building Department is going to facilitate redevelopment of the City. He thinks they all receive those calls daily about, "I can't get my permit, why is it taking so long?" And when he did the walk-through with Mr. Meyers and spent the time to better understand the function and how the Building Department is operating, he backed off some of the initial costs. His recommendation is, this is where they begin the budget year; but that is not to say they can't make adjustments. They are going to be doing financial reporting next fiscal year as well.

Commissioner Becht said these figures do not contemplate them increasing the fees. These figures are based on the old fees. That is a yes or no, and then he can explain. These projections are based on them not having adopted increase fees?

City Manager Recor said that is correct.

Commissioner Becht said the chance is, if they do proceed to raise the fees, the subsidy and transfer will be less than the \$200,000.

City Manager Recor said potentially.

Commissioner Coke said she can appreciate that and that is why she wouldn't have a problem moving forward with this based on they are going to expedite the fee revision. But the last seven and a half years she has learned that if they budget this amount and all of a sudden there is this much revenue, that difference in revenue does not come back to the General Fund to allow them to expand the Police Department, Public Works, the City Clerk's Office. That increase in revenue will automatically, without approval of this Commission, be absorbed by that department.

Commissioner Becht said that is not correct. The way he sees it, what he was trying to tell them, it is going to burn that

\$200,000 transfer first. What Commissioner Coke just said is, to the extent that it does not exceed \$200,000, that does free up \$200,000 for the Police Department or Public Works or wherever else it might need to be spread across all the City expenses. So long as it doesn't exceed \$200,000, it will go back to the City.

Ms. Johnson said she doesn't make a transfer unless in this case when it is coming from the General Fund to the other funds, unless that fund actually needs it, and she only transfers when it is needed. If they have \$200,000 in additional revenues, there will not be a transfer from the General Fund.

Mayor Benton said he can remember last year specifically in the Police Department where the Chief had some cost saving measures that saved them a considerable amount of money at the end of the year. The Chief was very proud to show them those figures. He has seen that in other departments. So keep up the good work.

City Manager Recor said it is a very complicated subject and he appreciates their patience. As they shift to the **General Fund Budget**, he would like to share with them the results of the 2009 Voluntary Separation Incentive Plan which exceeded all of their expectations going into the program. The final list of participants as of August 25th at 5:00 p.m., 45 employees signed up for one of the three options. These were all across the board, but primarily the major losses occurred in the Police Department and Public Works. They lost two positions in the City Clerk's Office - a License & Permit Clerk and an Administrative Assistant. Finance Department lost the Risk Manager. The Purchasing Department - a Procurement Specialist. Code Enforcement lost one Community Response Officer. In the Police Department, nine Police Officers, a Sergeant, a Captain, and the Switchboard Operator took VSIP. Public Works lost seventeen employees. He asked both Bob Hood and Nick Mimms yesterday and this morning, did they give them enough back, did they reallocate enough resources? And both have assured him that with the adjustments they are proposing and restructuring and rebuilding Public Works, that they have. Minus that assurance, he was not sure they had given them enough back. But he is going to rely on their expert opinion. If they see it is not working as they get into the fiscal year, they may need to revisit. Engineering Department lost two positions and Solid Waste lost five positions. The Enterprise Funds are treated a little differently in that these positions, with the exception of the Solid Waste Director position, will be filled. The total number of positions was 45. The salaries and benefits totaled almost \$2.8 million which represented a savings to the City, after the incentive payments were made, of \$1.2 million. That is in large part how they were able to address the \$3.7 million deficit going into this fiscal year.

Commissioner Coke said taking this VSIP list and the General Fund Changes At a Glance sheet, the first department she is looking at is City Clerk. They have proposed three less people. Two have taken voluntary separation. Can she correctly assume that means there is still one position there he is proposing to eliminate?

City Manager Recor said yes. That is because the person asked to be laid off.

Commissioner Coke said okay. The Finance Department, they propose two less people, so they still need to make a one person cut to be balanced.

City Manager Recor said when they look at the Changes at a Glance table, the purple box represents what has been added back to the budget since August 12th. Remember, they had a balanced budget on August 12th. The VSIP separations that occurred since August 12th represents resources that they could add back to the budget.

Commissioner Coke said let her try to ask this in a different way. In the Changes at a Glance sheet is the proposed number of personnel changes per department that they instituted in order to balance the budget. Correct?

City Manager Recor said yes.

Commissioner Coke asked this is the sheet showing people who voluntarily separated (Final List of Participants as of August 25, 2009)? Unfortunately it is broken down more in the General Fund recap than it is here. But on Page 3 of the Changes at a Glance, it shows the Planning Department at minus five. On the Final List of Participants, she sees that nobody in the Planning Department took the VSIP. So she is assuming that means there will still be five people cut in the Planning Department?

City Manager Recor said no, because what is not clear is that there were vacant positions that were not filled. He gave them the bottom line. The number of layoffs that originally were at 20 on August 12th from the General Fund has been reduced to 12, because positions have been added back to the budget.

Commissioner Alexander said for him to get some kind of grasp on what Mr. Recor is speaking of, they have 45 people to voluntarily separate from the City. How many people did they have just generally retired without the voluntary separation?

City Manager Recor asked how many retired through VSIP?

Commissioner Alexander said no. This was a voluntary separation. How many people was it time for them to retire and they retired? Those are synopsis Mr. Recor gave them six months ago - he had people who were going to retire, people who were going to voluntarily retire, the furloughs.

City Manager Recor said he thinks the people who were planning to retire took advantage of the VSIP because they received the incentives.

Commissioner Alexander asked so that is inclusive of the 45 people?

City Manager Recor said yes.

Commissioner Alexander asked how many jobs did they have frozen?

City Manager Recor said 25.

Commissioner Alexander said so they are talking about 70 people so far.

City Manager Recor said yes.

Commissioner Alexander asked people who took furloughs, how much accumulation did they accumulate by the furloughs?

City Manager Recor said he is pleased to report that the furloughs have been implemented across the board. They will note they were able to fund the eight Police Officer positions.

Commissioner Alexander said let's not go there. How much did they accumulate from just furloughs?

City Manager Recor said he believes it was \$320,000.

Commissioner Alexander said the 25 frozen jobs accumulated how much?

City Manager Recor said about \$600,000.

Commissioner Alexander said so \$600,000 plus \$320,000, and they are talking about another \$1.2 million on top of that.

City Manager Recor said also, they reduced the operating expenses in the current fiscal year by another \$800,000.

Commissioner Alexander said he thought that was \$1.5 million. That is what is getting him confused. He is trying to stick with the numbers Mr. Recor gave him a week ago. It was \$1.5 million in operating expenses.

City Manager Recor said as of the second quarter of the current fiscal year, they were \$1.5 million short. So they made those adjustments in April - the 25 frozen positions which represented \$600,000 and the \$800,000 in reduced expenditures. But he was encouraging the Commission to make additional cuts because they knew at that time they were going to be facing a \$3.7 million deficit. And that is when the decision was made to implement the 40 hour furlough and have the employees take one day a month for the next five months. But that didn't happen immediately because they had to negotiate that with the unions. But today they have captured and will capture that revenue.

Commissioner Alexander asked what is the total numbers that would be applied to an employee who is going to be separating from the City on October 1st?

City Manager Recor said as of October 1, there are only 12 employees who will be separating from the City as a result of a layoff.

Commissioner Alexander said that is plus the 45 VSIP, plus the 25 frozen, so they are talking about 82 employees.

City Manager Recor said yes. Believe it or not, the VSIP really eased the number of potential layoffs. If they had not had the success they had on the VSIP, the number of layoffs would have been significantly higher.

Commissioner Alexander said that is in Mr. Recor's mindset, because his dreams were nowhere close to that. 82 is what he comes out with. The initial numbers were 85. Mr. Recor let go eight Police Officers, so that made it more. Now they are able to recoup those officers and he doesn't see those numbers coming out of the reflection Mr. Recor is giving him now.

City Manager Recor said the Chief of Police can explain it if they want to get into that.

Commissioner Alexander said the Chief can't explain what he is asking Mr. Recor right now. The retirement, the frozen jobs, and the voluntary separations amounted up to 82 employees. In the beginning he questioned, they were going to lose 85 employees? And then on top of that, they lost eight officers.

Commissioner Becht asked can he approach this a different way? He thinks this might answer Commissioner Alexander's question. Can somebody tell him the number of employees they had on October 1, 2008?

Commissioner Coke asked budgeted or working?

City Manager Recor said remember, 25 of those were already vacant.

Commissioner Alexander said so those were frozen.

Commissioner Becht said what he wants to know is, on October 1, 2008 this was the scenario, and on October 1, 2009 this is what they project. Because Commissioner Alexander is saying somewhere in the neighborhood of 80 to 85 employees lost. And he is not sure, when they get the up and the down, if that is accurate or not accurate.

City Manager Recor said he thinks what is confusing and what is adding to that number is, there weren't 85 physical bodies lost because 25 of those positions were vacant and they elected not to fill them to save money.

Ms. Johnson said it is a difference of 35 employees they lost from last year to this year.

Commissioner Becht asked how many of those were due to layoffs, if any? Or are projected to be due to layoffs?

Ms. Johnson said 12 layoffs.

Commissioner Alexander asked there were 35 since October 1, 2008?

Ms. Johnson said right. The difference in the count from last year to this year is 60 employees. 25 of those were vacant positions. So that left them with 35. And 12 of those 35 is the difference of actual bodies, the 12 are layoff positions.

Commissioner Alexander asked so she says that is 35 plus the 45 included in the voluntary separation.

Ms. Johnson said no, that includes everybody.

Commissioner Coke said some those are being replaced.

Ms. Johnson said if they have separated, some of them are being replaced.

Commissioner Becht asked as of October 1st they had...?

Ms. Johnson said they had 441 employees in the budget. Now currently they have 381 employees. That difference is 60 employees.

City Manager Recor said as they go through the General Fund - Changes at a Glance, they will see the positions that were added back that actually reduced that number.

Commissioner Sessions said when they initially started, Mr. Recor had said they were at \$3.7 million deficit and he proposed cutbacks in terms of dollars and laying off individuals. In his mind, money is on one side, jobs are on the other side. Where are they in terms of where the actual deficit is now, inclusive of furloughs, VSIP's, people retiring, or whatever? Where are they in terms of dollars and cents today?

City Manager Recor said there is no deficit. They have a balanced budget.

Commissioner Sessions asked with that same thought in mind - numbers, people, jobs - what is Mr. Recor proposing in order to make this a balanced budget in terms of individual layoffs? Is he proposing an additional 12, is that what he is hearing now?

City Manager Recor said 12 in the General Fund and two in the Building Fund.

Commissioner Sessions said in Public Works, a lot of those individuals are going to have to be replaced. Is he correct?

City Manager Recor said he was concerned about Public Works, so he met with Mr. Hood and Mr. Mimms, and he asked them to give their recommendations on the resources they needed to run Public Works. They lost some employees with 25 plus years of service. They were fortunate that they had folks that they can elevate into supervisory positions and then they also increased contract dollars as well. He encourages the Commissioners to ask either Mr. Hood or Mr. Mimms if they are comfortable with the resources that have been reallocated to the Public Works Department.

Commissioner Sessions asked they can operate status quo with

these 12 people leaving?

City Manager Recor said yes.

Commissioner Sessions asked why does he see a need for 12 additional employees to be cut if it is balanced as they sit here today?

City Manager Recor said that is inclusive of the 12 employees. Again, after the VSIP totals, there just wasn't enough money to fund all of the original 20 proposed layoffs. Then they prioritized the positions that were added back to the budget, which he can identify as they go through the budget.

Commissioner Sessions asked does Mr. Recor have a dollar amount attached to those 12 positions?

City Manager Recor said he can, but it will take him a second.

Commissioner Sessions said Mr. Recor can proceed with what he is doing, but he would like to have that figure.

City Manager Recor said okay.

Commissioner Alexander asked did he see the City Manager's office has added a staff member?

City Manager Recor said yes.

Commissioner Alexander said he thought that position was frozen.

City Manager Recor said it was, and they discussed the potential for sharing the Commission's Executive Assistant.

Commissioner Alexander asked they didn't go that way?

City Manager Recor said that is correct, they didn't go that way at the last budget workshop. But he has had an opportunity to experience the sharing when Ms. Robinson was on vacation. He actually has much more of an appreciation for the job that Ms. Wilkinson handles for the Commission.

Commissioner Alexander said they all do. But is Ms. Wilkinson back on board in the Commission's budget?

City Manager Recor said yes.

Commissioner Alexander asked so what is the additional position in the City Manager's office that is needed that Public Works couldn't have a position added?

City Manager Recor said Public Works did have positions added back to it.

Commissioner Alexander asked what about the City Manager's position?

City Manager Recor said his office is responsible for

everything. The loss of that second administrative support position has added an increased burden on him being able to respond.

Commissioner Alexander said but those words came out of Mr. Recor's mouth that the position was frozen and he could do what he needed to do without that position.

City Manager Recor said he is telling him it is his recommendation that they add that position back to the budget.

Mayor Benton said as somebody who is here almost every day and saw when Ms. Robinson was out for a week and a half, with Ms. Wilkinson was going back and forth, it is literally impossible for the City Manager's office to operate with somebody who isn't familiar with work in progress and then having to go back and forth from one office to the other. The City Manager runs this organization. If he cannot in a prompt fashion respond to the public on issues that have been on the table, it affects the Mayor and the Commissioners, because then their phones ring off the hook. There just needs to be a second person, because they also have the Deputy City Manager in there also. Ms. Satterlee doesn't need to be answering the phone. Mr. Recor needs that second person because Ms. Robinson has he doesn't know how many weeks vacation a year plus other time off. They have to have the City Manager's office and the Commission's office run efficiently because that reflects on the whole City.

Commissioner Alexander said he is not complaining about that. It was just the fact that this position was just added. It wasn't added before when they came about the budget. Again he will say the same thing, he thinks each Department Head out there can wish totally that they could get a position filled.

City Manager Recor said most departments had positions refunded in their budget. If he can get to it, he can identify it.

Commissioner Alexander said he is not going to go through that with Mr. Recor.

City Manager Recor said they need to, because that is why they are here.

Commissioner Alexander said he thinks Mr. Recor has carried it a little too far. If he wants to continue, go right ahead. He is not sure what that gesture means.

City Manager Recor said he is trying to answer his questions.

Commissioner Alexander asked what does it mean when he does that to him, these hand gestures?

City Manager Recor said that means Commissioner Alexander is not interested in what he has to say. He is trying to answer his questions. He is telling him that other departments have had positions added back to their budgets, if they can get to that.

Mayor Benton said all through the years he has been here, they

have had budget amendments throughout the year, when they see whether they have an additional revenue coming in. But if they hear from Public Works or any Department Head or the public saying they are lacking in one area or the other, there is the ability in March or in June to say they have a problem here and they are going to need another person or two. They are doing something that has been very difficult. They have had their organization gutted by property values and everything else. But they have the ability to keep the taxes down, unlike Port St. Lucie, and then take a look at how this works. They can make changes throughout the year. They have done that in the 14 years he has been here. So let's give things a chance. They can always add and move things around to tweak this operation. He is sure they will. He thinks everyone here agrees.

City Manager Recor asked would they like to go through the budget and determine what resources have been added back to the budget?

Commissioner Sessions said he would like to. Before he moves on though, have they laid anybody off with the exception of these 12 he is proposing?

City Manager Recor said no.

Commissioner Sessions asked technically they haven't laid anybody off in the City of Fort Pierce as they stand here today?

City Manager Recor said with the exception of the 8 Police Officers - which now have been funded in the budget - no, they have not laid anybody off.

Commissioner Sessions said that is what he needed to know. But they have 12 to be laid off that Mr. Recor is coming up with a dollar figure for him in a minute?

Mr. Recor said yes.

Commissioner Coke said she knows it is really off base, but she is going to ask anyway because her memory isn't what it should be. To the best of his recollection, how many people has the City of Port St. Lucie laid off this year?

City Manager Recor said this year, upwards of 30 he believes. And they are proposing 117 next year and a 26% tax increase.

Commissioner Coke asked how many people has the County laid off this year?

City Manager Recor said it was actually last year when the County's reductions occurred and it was close to 200.

Commissioner Coke said she doesn't want to see anybody lose their job. But when they look around, the County has laid off 200 people in anticipation of property tax devaluation and Port St. Lucie laid off 130 something. Unfortunately for 12 months or 18 months until the economy turns around, if the City has to work a little leaner and have 12 people laid off, it is an awful

thing to consider. But 12 versus 200, certainly Fort Pierce is doing a lot better than everybody else, is the point she is trying to make.

Commissioner Becht said the VSIP program is a huge part of it.

City Manager Recor said absolutely. If they had not implemented and had the success of the VSIP program, the extent of the layoffs would have been much more significant. Before they move on, he wants to respond to every question Commissioner Alexander has. He is listening to him and doing his best to provide him with the basis for his recommendations. He wants him to ask his questions. And he wants to do the best he can to respond to give Commissioner Alexander the information he needs. If he doesn't understand what he is asking for, just repeat it. He doesn't mean any disrespect to him.

Commissioner Alexander said that is what it seemed like, because he asks a question and Mr. Recor gets defensive, and then he gets him defensive. He is not going to be back and forth with him because there is no female in him and he is not going to be bickering.

City Manager Recor said they have too good of a working relationship to let it deteriorate. He apologizes if he was defensive with him. But he is here today to answer every question he has about this budget and will do his best to do so. He has a number for Commissioner Sessions - the 12 positions represent \$660,000. They have identified that this Draft #3 does not contemplate the sharing of the City Commission's Executive Assistant, but rather returning or unfreezing the Administrative Assistant in the City Manager's Office.

City Manager Recor said there aren't any changes at all in the City Attorney's Office.

City Manager Recor said in the City Clerk's Office was hit pretty hard by the VSIP and the one employee who actually asked to be laid off, plus she lost her Executive Assistant early in the year because that was one of the existing resources he transferred to the Community Center to keep it up and running. They will see the change since August 12th reflects the loss of an Administrative Assistant position due to VSIP. But in meeting with Ms. Steele to get a better understanding of what her needs were for the next fiscal year, they needed to add back another License & Permit Clerk, and that gives her a total of four positions in her Department - the City Clerk, the Deputy City Clerk, and two License & Permit Clerks, and the back-up and assistance of Ms. Wilkinson as well.

Mayor Benton said he knows there was a concern from the City Clerk's Office. It had to do with outside printing of licenses and paperwork.

Deputy City Clerk Conlon said the Business Tax Receipts, they have to have those printed outside. It runs about \$500 each time. In their budget, outside printing was cut down to \$1,000. Just those forms alone would pretty much wipe out half of their

expenses.

City Manager Recor said they can move operating monies to cover any additional reproduction costs.

Mayor Benton said he just wanted to voice her concern.

City Manager Recor said unfortunately that was not shared with him beforehand or they could have addressed that. And he doesn't see any reason why they can't.

Commissioner Coke asked doesn't the application fee cover the cost of the license and time to process it?

Mayor Benton said it is paying to have the forms on hand.

Deputy City Clerk Conlon said their license application fees go into the General Fund.

Mayor Benton said they aren't talking about much money. He just brought it up for discussion.

Commissioner Sessions said before he loses his train of thought, he knows they talked about it earlier with regards to Mr. Hood and Mr. Mimms feeling that they are going to be able to perform, in his opinion, miracles in terms of having this number of employees to disappear and leave. He knows Mr. Mimms is going to have some big shoes to fill. Mr. Hood has done a tremendous job. That is one of the departments that he thinks is doing an extraordinary job. But he doesn't want to set this young man up to fail. He hopes they all know what they are doing here when Mr. Mimms says he can continue to move on status quo with this number of employees leaving Public Works.

City Manager Recor said they are getting additional employees, but they are also making some adjustments at the supervisory level. And just this morning, again to confirm did Mr. Mimms get enough, he assured him that some of the restructuring they have tentatively talked about in terms of getting him as opposed to say one Deputy Director having two Superintendents who can oversee what is arguably the largest Department outside of the Police Department, where there is a significant command Staff, a management structure that helps the Chief. He wants to make sure Mr. Mimms has the support that he needs to handle that operation because the expectations are high. He doesn't see any of the Commissioners reducing their expectations. They are going to continue to get the job done, they are going to work together to make sure the transition is a smooth one.

Commissioner Becht asked what about the transition next year where they lose...? If they assume the ad valorem only goes down 10% and everything else in terms of revenue stays status quo, they are going to have to chop another \$1.2 million on top this.

City Manager Recor said he is glad he asked that. Staff took a very conservative approach in putting this budget together. He is going to immediately and closely monitor expenditures. And

they are going to continue to evaluate their benefits package as a whole, not just components of, and they are not going to wait until the last minute. Some of these things take time to do the analysis. They are going to prepare themselves for what is to come in the next fiscal year.

Commissioner Becht said he just wanted to make sure. A five-year crystal ball is pretty blurry. But next year's crystal ball... Everything is stacking up that they are going to have another 10% cut in ad valorem. So he thinks they need to, as they are getting this budget together, have at least half an eyeball on the fact that they are going to have another \$1.2 million cut out of the general budget next year.

City Manager Recor said they are going to do everything they can in the current fiscal year to prepare themselves for that.

Commissioner Sessions said they will make up for it when all those people start knocking down their doors for building permits, construction and developers, he can see it.

Commissioner Becht said with a two to three year supply of inventory on the market right now, he doesn't see that getting absorbed at current absorption rates in less than three years. But he does think in three years the building will come back. But they have economic generators such as the Marina and other things.

Commissioner Alexander said along the line with Public Works and Solid Waste becoming one department, Solid Waste is an Enterprise Fund and they know they have a stream of revenue coming in from that alone. If it is going to be one department, why can't it be self-sustained?

City Manager Recor said that is certainly one way to look at it. They have traditionally come to rely on a transfer from the Solid Waste Department to the General Fund. They have to account for Solid Waste as an enterprise because it is a service they charge a fee for. But what Commissioner Alexander is suggesting, that revenue could offset the cost of running the Public Works Department. They could increase that. That is a good suggestion.

City Manager Recor said in the Human Resources Department they will note that they have added \$2,500 at the suggestion of the Director to bring in the second EEOC training session. He thought that was an appropriate use of the resources to include that in the budget.

City Manager Recor said in the Finance Department, Mr. Schwerer and Ms. Johnson pointed out that the importance of the Risk Manager position. That position has been added back. The current Risk Manager has in the 11th hour enrolled in VSIP. He sat down with Mr. Thomas after 5:00 p.m. on August 25th and asked, what if he doesn't approve it? They may recall that the City Manager does have the authority to decline a voluntary separation if he believes it is in the best interest of the organization that it not be accepted. He thinks there may be

the possibility that Mr. Thomas may stay on, but it would be a tremendous loss if he decides to retire. Nonetheless, the position is in the budget and they will have a Risk Manager next year.

Commissioner Coke asked on the Changes at a Glance sheet, Page 2, the approximate cost of the Risk Manager is \$94,700?

City Manager Recor said yes, with salary and benefits.

Commissioner Coke said they have had the discussion before about new people coming into the organization, younger people having the ability of upward mobility. If Mr. Thomas decides to leave, she is certain that position is listed there at that price because he has been with the City for how long?

City Manager Recor said many years.

Commissioner Coke said so if they were to look to replace a Risk Manager, it would cost the City way less than \$94,700.

City Manager Recor said it will come in at the lower end of the salary range.

Commissioner Coke said which would then also decrease the taxes by 6.78% they have to pay on Social Security and Medicare, it would decrease health care, it would decrease all kinds of other things. Just something to keep in mind if they are looking forward with an eye to next year having another \$1.2 million shortage, every \$30,000 they can save along the line is going to add up to that.

City Manager Recor said yes. One of the recurring themes over the last few years has been to increase their automation when and where possible. The City Commission approved \$100,000 to bring the automated inspection software. So they felt it was important to return the IT Specialist position that was proposed for layoff, particularly since they want to look at the processes that the City Clerk's Office is responsible for and putting those on line and automating as many processes as they can. He is sorry, but he is just not feeling well right now for some reason.

Commissioner Becht said they have his Changes at a Glance sheet. The Mayor can go through that by Departments and see if anybody has questions, if Mr. Recor needs to go.

City Manager Recor said he is all right. So they have added back the IT Specialist. In addition, MIS will be working with St. Lucie County to learn the equipment. In the event they are not successful in renegotiating the contract with SLCTV at the beginning of 2010, the City will be in the position to potentially handle that themselves. He thought that was a much needed addition back to the budget.

Commissioner Becht said he doesn't have any questions regarding what Mr. Recor and Staff have done to create a balanced budget. He appreciates this Changes at a Glance. They have hit on what

he needed to hit on. He has some general comments he was going to save for the end. If any other Commissioners have specific questions, maybe they can move forward in that fashion. Commissioner Coke said as far as the Changes at a Glance sheet, she thinks it is stuff they have all been working on for several months. It looks to her like it has incorporated what they have already come to a consensus on.

Mayor Benton said he can go over each department, if there is a question specifically. Maybe Mr. Recor can relax there a minute and regain his composure a little bit.

Mayor Benton said let him go down the list. They are past MIS. Does any Commissioner have a question about the Purchasing Department and the changes that were made? Any questions about the Planning Department?

Commissioner Becht said thank you for adding a person back.

Mayor Benton said Building & Community Response / Building Inspections, they went over that earlier. Are there any further questions on the Building Department?

Commissioner Becht said again, thank you for adding people back.

Mayor Benton asked about Code Enforcement? Now they are down to the Police Department.

Commissioner Becht said when the Chief came to him, he had specific requests if they were able to find money and add things back in, and he had an order of priority. Has that order of priority been met by what they have done here?

Chief of Police Sean Baldwin said through some negotiation with the City Manager, they actually added some additional funding.

Commissioner Becht said he got his eight Police Officers back and it looks like he got another \$337,600. Or is that the same thing?

Chief Baldwin said it is all combined. They had a meeting a couple of days ago, he had a little issue he worked out with Ms. Johnson on the Police Officer staffing. It actually dropped down one inadvertently, but she is going to put that back in. He doesn't know what else they can do here. Is he answering his question correctly?

Commissioner Becht asked the priority the Chief had, if money was found, for putting people back in, is that priority being met?

Chief Baldwin said his desire would be not to lose any staff, but that is not going to happen. He thinks they are real close here. The loss of the Public Information Officer, that is something they weren't able to work out with the City Manager. Mr. Recor had actually provided some additional resources in terms of keeping one of the Supervisor's positions they were going to have to roll back, providing funding for a matching

grant which allowed them to bring back three of the eight officers they laid off. It certainly supplied some resources he needed.

Commissioner Coke said she is looking at the three positions added back in - a Mail Courier part-time, a Sergeant, a Police Officer. Who else?

Chief Baldwin said let him go through the list. This last draft has been evolving over the last couple of days and he has been in and out of meetings on it. What it appears they have done here is one of the Sergeant Supervisor positions has been added, a Mail Courier, and two Community Service Aides, which are very important to their operations. The number of Police Officers will go from 77 to 78, so that stays status quo in terms of Draft #3. Those are the positions that have been added since Draft #3.

Commissioner Coke said maybe she is missing something. She thought at the last meeting they discovered funding to add those eight positions back in. Is he telling her that is not the case now?

Chief Baldwin said no. He wants to assure her those eight positions are taken care of, but those are in the grants portion of the budget which is on the enterprise side of the budget. They have nine sworn positions that are funded by Federal grants. One is the COPS CHRP (Cops Hiring Recovery Program) Grant and the COPS Universal Hiring Grant. So that is six plus three. Then they have another six sworn positions that are funded by the Fort Pierce Redevelopment Agency.

Commissioner Coke said so six plus three plus six is 15.

Commissioner Alexander said what they haven't heard about is the stimulus dollars.

Chief Baldwin said that is the stimulus dollars. Just so everybody knows, the eight officers they laid off on July 17th will all come back to work for them by August 31st. It is actually incredible because they have found the ability to do that. Six of those positions are from the Federal stimulus dollars. They are all still willing to come back to work for them, which is incredible because they were great police candidates and police trainees, so they are not going to lose them. It takes a considerable amount of work and resources to get people to the point where they can be Police Officers. They are not going to lose that investment in those people. He is very proud of that. The new stimulus dollars from the new administration provides six of those positions.

Commissioner Alexander said then he said a grant provided three.

Chief Baldwin said another three. Actually they had the grant. But because they had to lay the people off, they had to suspend the grant. They are reinstating that grant. He worked with Ms. Johnson and the City Manager earlier this week. They found the match money to continue the grant into next year. They have

that covered.

Commissioner Alexander asked is that the nine Police Officers plus the Sergeant they are bringing back?

Chief Baldwin said there is another Supervisor position there. That is not grant money, that is General Fund money.

Commissioner Alexander asked what about the Public Information Officer?

Commissioner Coke said she has had a concern for a lot of years that the City needed a Public Information Officer because they always seem to be reactive rather than proactive and that never makes her happy. She just really doesn't understand how the Police Department, considering the type of things they have to deal with which are all very sensitive and people are interested and these are emotional issues, she doesn't know how they can expect them to operate without a Public Information Officer. Her preference and suggestion is that maybe they could find a way to share that position. Because heaven knows, they need help over here with their PR level - they never seem to get that press release out, or they never seem to be able to put the positive spin on it after they have been slam-dunked in the newspaper. So that was one of the things she was disappointed about in the budget, because she thinks that position is essential to the Police Department and its public relations, and she thinks it would be essential to the City.

Mayor Benton said he would think they need a public relations person who can just take care of business for the City. Yes, the Police Department might take up quite a bit of their time and the City doesn't have a lot that goes out. But unfortunately the press can't seem to get it right unless they put it in printing. And it has to have a positive swing on it. They just did a public relations message and the information he was given to speak to he threw in the garbage because it wasn't positive. They have come so far. Yes, they have problems; but let's talk about how far they have come and how they got there. If they can find room in the budget, he thinks a public relations person who could work for the whole City.

Commissioner Coke said she thinks the Police Department's Public Information Officer has done a wonderful job for them. She just doesn't know why they can't share?

Commissioner Alexander said he was thinking on the same terms of sharing it. The City Manager's Office has a Communication Manager.

Mayor Benton said Ms. Satterlee does an excellent job.

Commissioner Alexander asked is that a part they can maybe share and give her some relief? If they are sharing this Public Information Officer through the Police Department and the City Manager's Office, would that be any kind of conflict?

City Manager Recor said he thinks they will hear from the Chief

that his Public Information Officer does a lot more for his Department than a typical press release. But certainly they can help in the City Manager's Office.

Commissioner Coke asked that PIO position is proposed to be cut in this budget?

City Manager Recor said yes, it is. When the he and Ms. Johnson and the Chief of Police met, his number one priority was to restore the officers that had been laid off and eliminate the bumping that was occurring at the Sergeants and Lieutenants level, he wanted to keep everyone intact. The Public Information Officer was also an option. In terms of the dollars, they really had to begin to prioritize what was being added back. He needed to have other resources to add back to Public Works and the other Departments.

Commissioner Coke said she is not going to propose that they rewrite the budget today, but she would request that they seriously consider it. Because she thinks when they have a positive public image, if they are proactive rather than reactive, not only do they keep the public better informed, but more accurately informed, which is important. If they just wait for people to come in and take notes and report it, they don't know what they get. But most importantly, she thinks they can side step some legal issues and some legal problems by having a go-to person who doesn't open their mouth and say something that is incorrect or put the wrong slant on things or say something off the cuff. Every Department Head could refer to the Public Relations person. The Police Department does that - they don't see every Captain, Sergeant, or Police Officer talking to the press, they have one go-to person. They have encountered problems in the past where general employees are eaten up trying to deal with the press and they don't always know the message they are supposed to be giving.

Commissioner Sessions said he would join in that consensus too. That Public Information Officer that is presently working with the Police Department now, in terms of what she is doing, she keeps everybody up here very aware of what is going on. She certainly keeps him personally aware of what is going on by way of a lot of emails, so she does a fine job informing him. To be honest, he thinks it would help the City Manager tremendously in terms of his job and responsibilities, especially in light of some of the problems they have lately been dealing with. If in fact that person were to merge with the City and take on the responsibility of not only being the Public Information Officer for the Police Department, but for the City too, she would be an asset.

City Manager Recor said he has a vacant office in the City Manager's Office and would love to have her.

Commissioner Becht said he would echo Commissioner Sessions and Commissioner Coke on the issue of the Public Information Officer, but he is going to defer back to the Chief. The Police Department got resources and money back. He needs the Chief to prioritize where he needs those resources placed.

Chief Baldwin said the Public Information Officer position and function is extremely important. He appreciates their recognizing that. He knows she appreciates them recognizing the hard work she has done. There are a couple of options here. If they don't mind, maybe it is best that he and the City Manager get together over the next week or so and talk about how they might be able to work this out. There is some opportunity here, they will get together and discuss that particular issue.

Mayor Benton said he thinks they heard from the Commissioners that maybe a merge...

City Manager Recor said it will require some adjustment. But as they can see, they have funded the Mail Courier part time and that will nearly cover half of it. They can make it happen, if that is the consensus of the Commissioners.

Mayor Benton said the Mail Courier doesn't have to deliver his Agenda packet any more. He tried to stop that years ago. He hopes that comes to an end.

Commissioner Coke said he thinks it will save Mr. Recor time in the long run.

City Manager Recor said he thinks the direction is clear.

Commissioner Alexander asked it just came to his attention, even though there is going to be protesting about the red light camera system, how is the Chief going to pinpoint one individual to be monitoring this system?

Chief Baldwin said actually with the adjustments they were able to make with the budgets, they absolutely have that covered.

Commissioner Alexander asked he has that covered, but he doesn't have the loss of that one Police Officer covered?

Chief Baldwin said the Police Officers are going from 77 to 78. He talked with Ms. Johnson and that is going to be 78 in the final budget. In other words, the administrative part of taking care of the red light cameras, they have that covered with the resources they have.

Commissioner Alexander asked that is going to take a person stationary?

Chief Baldwin said not full time, no. It will be a part of somebody's responsibilities.

Mayor Benton said he thinks they have gotten through the Police Department. Are there any questions on Public Works?

Commissioner Becht said he hopes Mr. Mimms is ready to take over.

Mayor Benton said like he said earlier, if there is some fine tuning which needs to be done, he is sure they will hear from

the public. That is what budget amendments are for during the year.

Mr. Bob Hood, Director of Public Works, said because their budget has gone down \$866,000 from last year, because they are faced with 23 reductions in staff, he does not want it to be felt that they are doing this lightly or that these deep cuts will not be felt. They are losing people with 44 years of service, 38 years of service, 36 years of service. These are hard people to replace in more ways than he can say. They have spoken with the Finance Director and the City Manager yesterday to add some positions back in. One of the things they found, they are going to have to rebuild Public Works. And it is very difficult to do not knowing how many people they have to rebuild with. So that would be an ongoing process. Hopefully Mr. Mimms will get to handle that for them. One thing they don't want to do is add people they might have to terminate in a few months. So they looked back at what they had and what they could do, because they do not feel - as Commissioner Becht pointed out - that this next year is going to be substantially different than this year. One thing they have to have is crews to work with the crew leaders. In one of their divisions they had crew leaders left after the VSIP but no crew workers. In another division they had crew workers left after the VSIP but no crew leaders. Mr. Mimms is going to have to work hard to figure out how he can best combine things and still do the essential functions. They have also added back in \$105,000 in contractual fees thanks to Mr. Recor. This will go to maintaining some of the new landscaping on the roadways, cleaning the mainland restrooms, and that sort of thing. They also lost a very long term employee who maintained all the restrooms on the mainland for them and that was a big loss. If Mr. Mimms has to stand up in front of the Commission and ask for some assistance, he hopes they give him a real generous hearing. But they are going to try to do it with what they have this year.

Mayor Benton said Mr. Hood's retirement is one he did not want to see happen.

Commissioner Coke said she and Commissioner Sessions are going to vote against it at the Retirement Board.

Mayor Benton said they are going to really miss Mr. Hood. But he wants to thank everyone over there at Public Works. Mr. Hood has done such a good job. He feels it is being left in good hands with Mr. Mimms. He has had the opportunity to work with Mr. Mimms in the Engineering Department and now in Public Works. Mr. Hood is going to be missed. That is the pain when they are dealing with these types of budget shortfalls and cuts in funding in government. They don't like to lose good people. He can remember when the joke many years ago in Fort Pierce was that they could save money by buying shovels with two handles and two Public Works people could lean on the same shovel. That has changed in the last 20 years, he will guarantee it. He has never seen such a good group of hard-working people. When he first started, he took his little crew out to a handful of guys and said he would rather pay them more and get a little more incentive out of them. He thinks they have seen that, but that

has come from the administration, Mr. Hood has done an excellent job.

Mr. Hood said he does appreciate that. All the employees in the Public Works Department have pitched in and done a lot over the last several years. They have shouldered a bigger load every year and they are going to have to do even more this next year. He told former City Manager Dennis Beach and Deputy City Manager Recor at the time when they elevated him to the directorship, they asked him who he had in mind for a Deputy Director and he told them, Nick Mimms. He told them also that Mr. Mimms was the future of Public Works and he does believe that today.

Mayor Benton said the job Public Works did during the two hurricanes is something they will never forget, because they made the Commission's job a lot easier and the U.A.'s job easier where they could turn on the power. Sometimes people forget those things, but he sure won't.

Commissioner Alexander said he is just not satisfied with the releasing of all these employees. He is looking at specialized individuals like Equipment Operators II and III. Are those guys already replaced?

Mr. Hood said that is what he is talking about when rebuilding. They are going to be making some additional moves in each of the divisions of Public Works to provide the services.

Commissioner Alexander asked does he have qualified people in place?

Mr. Hood said they do. In some cases they might have to move a person from one division to another division who does have those qualifications in order to get the job done. It is easy to say that they will just stop mowing or they will just stop cleaning canals or they will just stop doing some things, but that is not realistic. There is a basic level of service they have to provide to the citizens out there and they intend to provide it. Mr. Mimms feels that way too.

Commissioner Alexander said he is just noticing in all the replacements pulling back on employees, he doesn't see those employees being put back into action. When they have individuals out there working that heavy equipment, they need to make sure they are qualified. He knows Mr. Mimms is going to make sure that happens. But they have to have people in those seats, because they are going to keep Fort Pierce beautiful, and if it wasn't for Public Works they would be in the doghouse. He wants to thank Mr. Hood. If he is going to be around, Mr. Mimms can call him for consulting. Have a good life.

Commissioner Coke said they talked a while back about looking at what the actual Public Works cost is to maintain Marina Square or maintain the beach parks, so they can take that figure and possibly look at what they are charging for different events, whether it is at Marina Square or Jaycee Park or any of the other parks, and make sure they are at least recouping the cost of maintenance and Public Works when they rent out those

pavilions.

Mr. Hood said Public Works has a very sophisticated cost accounting system they have been using since 1997. They can break it down by event, by location, by job component, any way they need to do it.

Commissioner Coke said if they knew for instance that the cost to maintain Jaycee Park was x-number of dollars a year and they divide that up by 365 and figure it is rented out for 200 of those days, then they have an idea of what they should be charging. There is going to be wear and tear from the public, so they subtract those dimes. But she thinks they ought to at least revisit what they charge for those pavilions to be sure they can bump up a little bit for Public Works.

Mr. Hood said that is a good point. The Citizens Parks Advisory Committee is going to be considering everything. He thinks their first meeting is on September 9th, so they will start that ball rolling.

Commissioner Sessions said he heard Mr. Hood mention something about being grateful for the \$105,000 put back into his budget for contractual fees. At least from his perspective, he hopes they don't leave the concept that charity begins at home. He is a firm believer that if they can have two or three employees to offset going out to contract, rather than bringing in someone else to do the work, then certainly they need to have it in-house. He thinks it is an asset and plus for them. So he just hopes that is not where they are going with this in terms of the number of employees that are being laid off that they are going to get into a world of contracting.

Mr. Hood said that is a good point. They try not to do that. They do have contractors right now that provide landscape maintenance which are local firms. They might ask them to take on additional tasks throughout the year. And also, the restroom cleaning on the mainland. To be left all of a sudden with having somebody retire causes them to have to take some other measures. They do have a contractor who does some of the other parks and they are probably going to have to ask them to expand their operations a little bit. Part of this is to get them through these lean times right now. Hopefully some of these economic indicators show that the economy has maybe bottomed out and it is starting back up again. This time next year it might be a whole different situation.

Mayor Benton said next is the Engineering Department. Are there any questions on their budget? Next is the Administrative Department.

City Manager Recor said they have added back the contract with St. Lucie County for televising their meetings. Ms. Satterlee and he did meet with Mr. DeWitt a few weeks ago, who thought that figure could be reduced by at least 10%. Mr. DeWitt went back and discussed it with the County Administrator and she declined. However, the contract is up for renewal at the beginning of 2010, at which time they can formally renegotiate

it.

Commissioner Coke said \$115,000 is a lot of money. Can they get a handle on what it would cost them to hire an employee to come in here and do that? It would give them more control. They might be able to put in some public advertising for downtown businesses or some of their non-profit organizations.

City Manager Recor said there may be some prohibition in their agreement with Comcast over the use of that public access channel for advertising where they would charge a fee. But that was precisely one of the reasons why he included back that IT Support Specialist position, because he doesn't know if they have noticed or not, but even in a meeting like today, although they are not being televised, Shay Johnson is running the audio and the equipment. And with some specific training, he could do televising. They may not have the broadcast quality they are getting from SLC-TV, which has a sophisticated production studio. But they have good people who work for the City and he has full confidence in their IT staff, in the event they weren't able to successfully renegotiate that contract, that they could continue the service and probably at a significantly reduced cost. One of the other additions he wants to point out in the Administrative account is they have included the \$20,000 for the Wallace Sample Memorial. He didn't want to go knocking on the Redevelopment Agency's door because that budget is tight, as they are aware. So they have identified the money in capital under Administrative to get that done.

Mayor Benton asked does Mr. Recor have anything he would like to add?

City Manager Recor said the budget is balanced. They will go back and incorporate the PIO (Public Information Officer) and make the adjustments prior to the first Public Hearing.

Commissioner Becht said he would like to thank Mr. Recor, Ms. Johnson specifically, and all Staff members who have sharpened their pencils and recognize that they have to do more with less. It is a daunting task to cut \$5 million out of a \$40 million budget. He wants to recognize that and thank everybody who had to do that. He has a little bit of doom and gloom, and then he wants to finish on a more positive note. This budget is balanced - and he wants to make sure everybody is aware of it - with two items he thinks are fairly speculative. One is the red light camera revenue, which is projected at \$400,000. They have no experience, no track record, but that is what they plugged in. They also have \$125,000 that he is going to affectionately call Tony Barnes magic credit card. They have no track record with that and they don't know what that is going to generate. It may or may not produce that number - it may produce a higher number, it may produce a lower number. He noticed Mr. Recor had lowered the FPRA transfer to \$300,000 and that should make Mr. Ward happy. He is sure there is \$100,000 now that they have extra in the FPRA that they can do something with. In the 2010-2011 year, he doesn't think this is premature because he thinks as they go through and do things in the coming year, they have to have an eye on the next year. They balanced this year's

budget with an \$800,000 transfer out of the Reserve. They are not going to have that next year. They are not going to have, in his opinion, conservatively \$1.2 million out of the ad valorem. Because they get \$12 million out of ad valorem and if it falls 10% it is another \$1 million to hit. Those two numbers alone are \$2 million the City doesn't have as recurring income or revenue sources for the next year's budget cycle. That means they go from \$35 million down to \$33 million if everything else stays constant, if they see no further deterioration in the economy. There is always the possibility the economy could get better, there are some signs that it is. But as they are sitting here today, it looks like this wonderful City with all the good things that have happened is going to have to go through another \$2 million off a \$35 million budget. That is going to hurt again next year. There is no excess, there is no real contingency going forward in the next year, and they are going to have to watch every penny through the next 12 months in anticipation of the worse year that is going to happen in 2010-2011. That is the doom and gloom. Last night he and his wife Colleen were watching Channel 27. That is not something they do with great regularity, because he sits through the meetings and he doesn't need to endure them again. But what was on the screen was the show and tell of before and after. As he was sitting there watching some of the buildings that popped up, both because of public dollars and a lot because of private dollars, he started doing some math in his head; and he is thinking there is over \$100 million worth of public projects and private projects that Fort Pierce has had built in it in the last five years. He mentioned it to Anne Satterlee, who said she used to keep a tally like a report card of what they have built in Fort Pierce. The City, the County, the FPR, and the private sector have had enough confidence in Fort Pierce to invest major dollars in Fort Pierce. So with all the doom and gloom of the declining City budget with the daunting task of having to lay off 12 employees - which hurts each of them, but in order to balance the budget, they had to do that - let's not lose sight of everything that has happened in the last five years. Some of the money that was excess in the last five years, they plowed some of that back into the community, not only the City, but the private sector. That is the note he is going to finish on, is that as much as it hurts to cut \$5 million out of this budget, they still have a very pretty community.

Commissioner Alexander said following behind Commissioner Becht, he is just trying to critique some of the things he said. But one thing he did ask Mr. Recor the other day concerning the printing of checks. He knows it might not seem that it is much. But it was just an individual walking off the street who asked him to see if the City could try to do some of the things the County or the School Board does, and that was to quit printing checks, if they could get a policy of direct depositing their checks. He asked, what if the individual didn't have a checking account? They need to get one. Right now banks are giving out free checking accounts. That could save them the amount of money, he doesn't know what the dollars would be, but it is not \$5 or \$10, it is quite a few dollars. But along the line with the red light cameras, they budgeted that money into their

budget; and that gentleman sitting right here that night told them that wasn't a guarantee. So if there is a shortfall who is going to have to eat that, the public?

City Manager Recor said no. They will have to make adjustments, just as they did in this fiscal year. As they know, that will be very difficult to do. He will tell them that both the Director of Finance and the Chief of Police think that is a fairly conservative number. He just wasn't comfortable doing anything more than that until they at least had a year of experience under their belt. Next year, it could potentially be a significant source of additional revenue for the City. They just don't know right now.

Commissioner Alexander said he brought back news from the League of Cities from the Legislature that the bill failed. He knows Mr. Schwerer was supposed to look into that to make sure they were covered.

City Manager Recor said it is being challenged all over. There are class action suits.

Commissioner Alexander said the bill failed, so it is not a challenge from the public, the challenge has to come from the State because they failed the legislation on that. Again, he just would like to put up a red flag so they don't think Christmas is coming and they have these funds.

City Manager Recor said he is glad he did.

Commissioner Alexander said one other concern he has. He is 100% in support of Sunrise Theatre. But he just thinks as they trim some of the other fat from the City of Fort Pierce, he thinks they need to take a look at that again. The black box theatre, he thought that was funded.

City Manager Recor said it is. There is \$500,000 that was allocated in the current fiscal year.

Commissioner Alexander said he thought the monies had been depleted pretty much.

City Manager Recor said not entirely.

Commissioner Becht said no, the black box theatre should not show up on this general budget at all.

City Manager Recor said not in the General Fund, but they will get to it in the FPRA.

Commissioner Alexander said he knows it was a weary hour last night, but he does remember seeing that dollar somewhere in the City's budget.

City Manager Recor said he think it was in the FPRA budget on Wednesday.

Commissioner Alexander said he apologizes.

City Manager Recor asked are they ready to move to **Solid Waste Enterprise Fund**? The primary point to make in the Solid Waste budget is that the revenues have been adjusted to remove the proposed 6.2% increase in fees. There were five separations that occurred as a result of the VSIP. Those positions, with the exception of the Director position, will be filled. The Solid Waste responsibility will become a Division of Public Works and will be led by the Solid Waste Manager. The position of Deputy Director will be reclassified, a title change only, to make it consistent with the management structure that is currently in place in Public Works. They asked at the last meeting that the Public Works Department continue to look for ways to reduce expenditures. They will do that, they will follow up and see if they can.

Commissioner Becht said they know they are going to need about \$1.5 million for the Marina. Dean Kubitschek has said - and he hopes not optimistically, but realistically - that he is going to need that in the next fiscal cycle. He knows Mr. Recor has been spending a lot of time trying to create a balanced budget. Has he had any time to explore the options for finding that \$1.5 million? He thinks Mr. Kubitschek actually said he would like to have \$2 million. Has he had any time to come up with options for that? Because one of those options was Solid Waste.

City Manager Recor said yes, it was. Solid Waste is still the leading candidate. He believes they were actually going to consider that as a loan. The Marina itself is an Enterprise Fund and could pay the debt service on that back to Solid Waste.

Commissioner Becht said either Bob Hood or Nick Mimms needs to weigh in and say that is not going to cripple them.

City Manager Recor said it is a revenue generator for the City and it will generate additional revenue in the current fiscal year.

Commissioner Becht said Mr. Hood shook his head that no, it is not going to cripple him. He just wants to make sure pulling \$1.5 or \$2 million out of Solid Waste and loaning it to the Marina Enterprise Fund is going to work and that they can get that work done. Because when the Marina is up and running, the City has additional revenues and they also have the indirect benefit of that expanded Marina being opened. So they have a solution for the \$1.5 million or \$2 million, is that correct?

Ms. Johnson said yes, at least the \$1.5 million.

Mayor Benton said he thinks that is just putting back what they robbed from the Marina several years ago to balance the budget, so it is payback time.

Commissioner Alexander said he knows they had spoken at one time about the services from Solid Waste, that if they had tried to raise the fees and change the days that they could not do that rightfully so. But then he sees they are losing three. Is it drivers?

City Manager Recor said they are going to replace them. The only position that will not be replaced as a result of the VSIP is the Director of Solid Waste.

Mayor Benton said next is the **FPRA Fund Budget**.

Commissioner Alexander said he thinks with the possibility of annexations in the City of Fort Pierce and expanding the FPRA, he thinks they can be a little more comfortable if they go at it the right way.

City Manager Recor said the Redevelopment Agency budget begins on Page 64 of the Budget document. He believes Draft #3 incorporates all of the feedback they provided at the last Budget Workshop - the \$7,500 for the audit, the removal of the monies for the Opera Society, the inclusion of the \$750,000 for the bus terminal, the Pioneer Park has been specifically identified, Inlet Linear Park has been specifically called out. He thinks it addresses the concerns expressed at the last meeting.

Commissioner Alexander said as far as the carry-over on the bond fund, he is looking at \$7.8 million. Could they elaborate on that a little bit for him?

Ms. Johnson said when they issued bonds to do all these projects for the FPRA, this is the remaining funds they have available that they bring forward to fund those projects. Some of those projects are the same ones they had last year. They just haven't finished them, so they are bringing it forward.

Commissioner Alexander asked that will be in line with what Commissioner Coke requested, that anything that is carried over would be carried over as a solid figure and then they would be allowed to see what was important.

Ms. Johnson said they brought all the projects forward and their balances that they anticipate starting next year. That is the funding they are going to use to take care of that.

City Manager Recor said they will note that Mr. Ward provided some background information (in his memorandum dated August 27, 2009). He and Mr. Ward discussed the 2005 methodology for costing the administrative charges. Again, he and Ms. Johnson took a more conservative approach. Even though arguably it could have ranged to \$350,000, they went with the conservative figure knowing that those resources were absolutely needed in the FPRA budget. They believe that will survive an audit in the event it is ever questioned.

Commissioner Alexander said he knows at one time they were waiting on some type of grant concerning foreclosure of properties in the City of Fort Pierce. Have they gotten anywhere close to receiving that?

City Manager Recor said he thinks he is referring to the Neighborhood Stabilization funding.

Ms. Dorina Jenkins, Assistant Director of Community Services, said the Neighborhood Stabilization Agreement was mailed back to the State on August 25th. It was due on August 26th. So those funds should be ready to be expended as soon as they sign off on the Agreement.

Commissioner Alexander said along with that, he was questioning about having the capability of handling that with the employees she has available to her?

Ms. Jenkins said no, they would definitely need to hire staff.

Commissioner Alexander said he didn't mean to bring it up for that. But he does know they are looking forward to this grant coming in. They don't need to wait until the end of 2010 to say they have only acquired two or three pieces of property. Are they being pro-active about it, so they are ready to go to work?

Ms. Jenkins said yes. They have an advertisement out now where they are requesting foreclosed properties be brought to the table. That is due, she thinks the last day for that is September 1st.

Mayor Benton asked are they at the end of the line?

City Manager Recor said he thinks they are. The Public Hearing is scheduled for September 14th at 5:05 p.m. Then September 21st is their regular Commission meeting. Then the final Public Hearing will be on September 28th at 5:05 p.m. The budget that is presented at the Public Hearing will reflect the changes they have talked about today.

Commissioner Sessions said he just wants to commend Staff, the Finance Department, the City Manager's Office, and the Department Heads too for the tremendous job they have done. He feels more comfortable working out of this workshop than he has any of the others they have had in the past. To know they have a balanced budget, withstanding the fact that at least up to today they have not laid off one individual within the City of Fort Pierce. When they look at what is going around in the surrounding municipalities, the school boards, statewide, and federal, that is a blessing. He still hasn't given up hope, because there may be some individuals out there who... Perhaps with the VSIP they had a little more than they had anticipated and they are having to replace a lot of people. So those proposed 12 individuals that are going to be laid off, it may be a blessing because they might find a job for them as a result of the VSIP individuals who are leaving.

City Manager Recor said that is a good point. As a matter of fact, he knows one of the positions that was on the layoff list is actually being considered for a position that Ms. Jenkins will be filling as one of the Program Specialists. So where there is that kind of opportunity, they are certainly going to try to keep their people working.

Commissioner Sessions said because those individuals have to be

replaced, he hopes the 12 proposed persons who are going to be laid off are given first consideration and can do some lateral movements.

City Manager Recor said he assures him they will be.

Mayor Benton said he has one thing he would like to bring up for the Commission's consideration. They all know how much time they spent trying to get approval for the armoring of the City Marina. He was up in the Secretary of DEP's office some two years ago when this first was brought to his attention - his jaw dropped and he scratched his head. That was when they first saw that project, wondering how would they ever get this approved. But it has been approved. And it wouldn't have been approved without the endorsement of the Secretary of the DEP and his Staff, which is a real turn around. But one thing is lacking in his office. He has a couple of paintings on the wall that are kind of dreary. But he doesn't have anything that shows St. Lucie County. When he delivered the letter to the Governor and to him when it came to the windmills they were considering building on their landscapes and because of the Highwaymen and their Backus paintings, that would change that landscape forever. So they know their landscape. But he was just wondering if the Commission would consider their maybe presenting the Secretary of DEP for his office either a Backus print or a Highwayman print. He doesn't know what the cost is. He imagines they could get it framed for probably \$300 or \$400. He will check into it. He is just asking them to digest this.

Commissioner Becht said he likes the idea.

Mayor Benton said they are working on trying to get the Governor and also the Board of Trustees and the Secretary down here from when they do get the final approval of the Army Corps of Engineers for a groundbreaking on this. He thinks it would be something really nice to do, because they spent a lot of money and they really helped make it happen.

Commissioner Coke said great idea.

Commissioner Alexander said he thinks it is a good idea. Going along with that, maybe something in this City Hall, they should have the drawings of what the Marina is going to look like. Maybe they can display that proudly in this building.

Mayor Benton said he thinks they could, they have all the drawings. He wants to also say thank you to everyone. He has been with the City a long time and has seen a lot of people come on board. He has worked with everyone here for a long time. The last couple of years has been very difficult to see people leave that they have worked with for many years. One other thing, he thinks Fort Pierce was overshadowed by the perfect city to the south. When he took office, their millage rate was 7.8 mills and Port St. Lucie's was 2.3 mills. Now they are within 1/10th of a mill of Port St. Lucie. But with PSL's stormwater utility and their solid waste fees added to their tax bill, an equal value home in Port St. Lucie will have a higher tax bill than the equal home in Fort Pierce. They have come a

long way. That is one thing Tallahassee has recognized, as critical as they were of a lot of cities in Florida, Fort Pierce has their attention on what has been done in this community in the last 15 years. They have come a long way and should be very proud of what this community has done. He thinks they are going to see that reflected in the business community finally coming back. If they look at Fort Pierce, it will get their attention.

There being no further business, the Budget Workshop was adjourned at 11:30 a.m.

Adjournment.

ATTEST:

CITY CLERK

MAYOR COMMISSIONER

