

MINUTES OF A BUDGET WORKSHOP MEETING OF THE CITY COMMISSION OF THE CITY OF FORT PIERCE, FLORIDA, HELD IN THE CITY HALL, CITY HALL COMMISSION CHAMBERS, 100 NORTH U.S. #1, FORT PIERCE, FLORIDA AT 10:00 AM ON AUGUST 30, 2007.

Mayor Benton called the meeting to order.

The Pledge of Allegiance was recited.

Upon Roll Call, those present were: Mayor Robert J. Benton; Commissioners Christine Coke, Eddie Becht, and R. Duke Nelson; City Manager Dennis Beach; City Attorney Robert Schwerer; and City Clerk Cassandra Steele. Those absent: Commissioner Alexander. (Commissioner Alexander arrived at 10:10 a.m.)

The purpose of the meeting was Discussion and Review of Proposed 2008 Budget Operations and Capital Improvements.

City Manager Beach said what he would like to do to start this off is just read in the record the transmittal memo (2008 Budget Transmittal dated August 22, 2007) and he thinks there is sufficient information that will get everybody on the same thought process in regards to some of the decisions that they are going to be needing to make over the course of the next few weeks. He wants to point out up front this is their second budget workshop, they also have two public hearings scheduled for public input - one September 5th and one September 17th. That is their time frame for coming up with a balanced budget. It is important to start the budget discussion with an overview of where the City is in its redevelopment efforts.

He has indicated a number of projects that are currently underway, but this obviously is not all of the them. They have two phases of the Human Development & Resources Centre going up at a cost of about \$9.6 million. This is a joint partnership agreement that actually includes the Indian River Community College and also the Boys & Girls Club and the FPRA. That project is under construction. It is a significant investment in public infrastructure in the northwest part of the community. The Federal Courthouse, actually the groundwork is already underway, they are doing site preparation. As indicated in the media, GSA has had a delay in terms of their bidding because of pricing, but they expect to go out for bids again in January and have that project actually breaking ground by summer of next year. The St. Anastasia School has been acquired, both the school and the vacant property beside it. A contract has been let for the improvement, the closing in of the building protecting it from the elements. It is noted that building is the last significant building in Fort Pierce in terms of its size and scope and impact on the community that has not been put back together as a result of these efforts.

(Commissioner Alexander arrived at the meeting at 10:10 a.m.)

City Manager Beach said the Salvation Army at 7th Street and Orange Avenue is relocating its food service operation to 907 North 13th Street in the Love Regeneration Center. That is going to clear that block up. His understanding is that the owners of that building are turning it into law offices, so that will be an improvement for the Orange Avenue area. Moore's Creek permitting is still underway.

They anticipate going to bids this year for the first phase between 7th and 10th Streets. There are number of housing activities underway in that part of the City and he thinks they are familiar with those. Some are a result of their hurricane restoration activity and just a number of different efforts that are directed toward rebuilding those neighborhoods. The Fort Pierce Redevelopment Agency purchased the Rollins property on South Beach and Staff is in the process of coordinating plans depicting the redevelopment

of Jetty Park as well as a new Linear Park along the Inlet from Jetty Park to Mangrove Mattie's Restaurant. In fact, two staff members were in Jacksonville yesterday working with the Army Corps of Engineers and had some very good feedback and good reception on that concept. The Public Works Department is managing \$3 million in park improvements on the Island funded by the FPRA. And of course, the A1A improvement project is under construction as they speak. 7th Street improvements are anticipated to be complete by December of this year. The 8th Street Bridge is under construction and scheduled for completion in November. Design work on 13th Street, 17th Street, and Avenue I continues and should be complete by May 2009. Engineering is managing \$13 million in stormwater improvement projects that will wrap up in fiscal year 2009. The Marina is funded for replacement of floating docks and continues with the permitting process. Maintenance dredging contracts for the internal basin and Moore's Creek have been executed and the work is scheduled for completion in November 2007. The King Power Plant downtown is scheduled to be decommissioned in May of 2008; and that is creating a very attractive redevelopment opportunity for the waterfront and for the downtown Fort Pierce area that, by the way, is underway as well. A Master Plan for the Downtown Waterfront area is scheduled to be completed before the end of this year. Over the last three years they have reduced the millage rate by almost 30% from 7.8305 to 5.5659, which is a substantial accomplishment in light of the work that is being done at the same time. While the City's future is bright and there is much to be proud of in terms of our redevelopment efforts to date, given the demand and competition for fiscal resources, exacerbated by the State Legislature's property tax reform measures, they will not be able to proceed with rebuilding this City at the current pace without having to make some difficult decisions along the way. The General Fund Operating Budget is balanced for Fiscal Year 2008. The deficit discussed during the Budget Workshop on August 10th was reduced by maintaining existing staffing levels in the organization while not funding current vacant positions in Fiscal Year 2008. Exhibit A attached to his transmittal memo identifies those positions. In addition, the balanced budget proposal includes revenue transfers from the Solid Waste Division and the Marina Enterprise Fund. Please note that while there are seven vacant positions affected in the Police Department, only one of these positions is a Police Officer position. In addition, there are four Public Works Department positions affected. During the budget workshop the Commission specifically asked for a budget that did not impact Law Enforcement or Public Works staff. As previously noted, the proposed budget maintains existing staffing levels; however these vacant positions will be reflected as unfunded for Fiscal Year 2008 under the proposed General Fund plan. As they progress into the year, they will continue to explore options to fund the affected positions, particularly in the Police Department and Public Works. They believe that is possible, but it is going to require a change in their thinking about how they do things. As previously noted, another feature of this plan is the transfer of resources from the Solid Waste and Marina Enterprise Funds. They may recall the Marina had over \$1.3 million in loss of business insurance that has been collected from hurricane damage of 2004. That has created an operational surplus that can be accessed as necessary. Also recall, they increased Solid Waste revenues specifically to transfer to the General Fund as needed. However, please recognize that the proposed level of transfer is not sustainable beyond one year and will place them in a position of having to address this same shortfall next budget year. This is obviously not a preferred method of balancing the budget, but appears to be workable for a one year period. Because the proposed General

Fund budget reflects a transfer of \$1.8 million of one time

resources from the Solid Waste and Marina Enterprise Funds, and because the Fort Pierce Utilities Authority is not transferring almost \$1 million of City revenue due under their 6% of gross formula, and because the Florida Legislature is somewhat restricting their ability to adjust revenue \$1.6 million this year alone, and because there is a state referendum in January of 2008 that could further reduce ad valorem receipts by 17% or \$2.2 million, and because strategies employed to date have not reduced crime to a level acceptable to the Commission, the community, or staff, they must change what they currently believe to effectively respond to these realities and address this problem. They must change their thinking when it comes to expanded use of FPRA resources. Since the inception of the Fort Pierce Redevelopment Agency, staff and the City Commission and the community have held the use of FPRA resources sacrosanct.

They have carefully guided the use of those resources toward economic development strategies and physical improvements that contribute to that end. When they expanded the Agency boundary in 2001, they were generating \$47,000 a year from their General Fund to that Agency.

Since the expansion, they have delivered over \$8 million to the Agency. Recognize that many of them never anticipated the Agency growing as it has and certainly did not anticipate sending 25% of their General Fund ad valorem revenues to this Agency. In his memo is a chart that depicts the transfers from 2001 up to what is anticipated for this upcoming fiscal year. Note that they expect the City and County to pay an estimated \$9 million to the FPRA in January of 2008, although this figure has not been confirmed and could change. As previously noted, they have a number of projects funded and under construction and/or design. Some of those projects are funded from FPRA operational expenditures which is part of the \$9 million figure, while some of the projects are funded by the \$40 million bond issues of the Agency. In addition, some of the projects are funded by the Sunshine State Loan Fund. Of the \$9 million expected in revenue, \$2.6 million is restricted for debt service payment on the \$40 million in bonds. The balance of the \$9 million after debt service, \$6.3 million, is available for appropriation by the FPRA Board as they see fit as long as the appropriation complies with State law and the City's Community Redevelopment Plan adopted in 2001. The FPRA budget document reflects how the remaining \$6.3 million is currently allocated. Keep in mind that most of these expenditures have been previously authorized by the Board. Also keep in mind that this is only the operations portion of the FPRA budget and does not reflect those projects funded under the bond issues. Given the demand and the competition for the limited fiscal resources, the City Commission is now confronted with the necessity of reprioritizing goals and the allocation of resources which will require making choices. They do not have the option of funding everything, that has been removed by the Florida Legislature. Their challenge is to develop a spending plan that reflects this fact. They must, number one, find a method to reduce the resources leaving their General Fund to the FPRA; or number two, design uses of FPRA resources that reflect the priorities of the City Commission and the community. This will be their challenge in discussing these budget documents. The public needs to be educated and informed as they approach the upcoming budget workshops and further opportunity for public involvement. To put that another way, if the City Commission and public consensus is that their most important role and responsibility is Law Enforcement and Public Works, then they should reprioritize the building of streets, parking garages, marinas, hotels, museums, theaters, roundabouts, etc., if that necessitates reducing and/or not funding vacant Law Enforcement and

Public Works positions. They know the public and their employee unions do not distinguish between FPRA resources and their General Fund resources and become very distrustful when they say that there are no resources for salary adjustments or additional police officers, but they have resources to spend \$3 million on beach park renovations and improvements. Although it is a statement of fact that their FPRA resources are not currently eligible for police officer funding, there appears to be a mechanism to change their plan to permit that use for special operations directed toward enhancing crime prevention within the FPRA boundaries. If the Commission is able to accept this concept, it has the ability to improve public safety efforts in the areas of the community that need it most. This can be accomplished with the program described by the Chief of Police during their budget workshop on August 10, 2007. If the Commissioners are unable to embrace this approach, they have no alternatives under current stated goals of the City Commission - which is reducing taxes to this community - than to reduce employee levels to make General Fund revenues and expenses balance. However please note that the program discussed by the Chief of Police will require that a corresponding amount of operational expenses in the FPRA budget be reallocated or removed. Based on previous discussions with the FPRA Board, they have been preparing for an additional \$13 million bond issue to cover the following projects (Moore's Creek, A1A Parks, A1A Utilities, A1A Street Lighting, 25th Street Utilities, Street Design Avenue I, Street Construction (Atlantic - Melody, Orange), Veteran's Park Design, South Beach Causeway Park, South 2nd Street). These are projects that have been discussed by the FPRA Board and the City Commission for quite some time, probably for the next two years. As outlined, that represents an overall bond issue of \$13 million. Notice that the amount for undergrounding A1A utilities is reflected. They anticipate needing \$2.4 million during this year with the balance to be needed over a three year period of time. In addition, they have currently have \$2 million of the parks funding but can defer the last \$1 million to a future date. 25th Street utility work is committed, as is the design work for 13th Street, 17th Street, and Avenue I. However, the Moore's Creek project can be deferred as needed in that no contracts for construction have been approved. However, the informal direction he received from a majority of City Commissioners, as he is talking to them one on one about this budget, has been that they are uncomfortable with pursuing further debt in their current economic circumstances. To avoid another bond issue at this time, the Commission has the ability to reallocate proceeds of the Sunshine State Loan Fund to support the A1A undergrounding, 13th - 17th - Avenue I design, and other resources as needed. The balance available in the Sunshine State Loan Fund is approximately \$9.3 million. Of that, the Board is currently considering a land purchase in the amount of \$3.6 million that has not been acted on. If the Board moves forward with the purchase, there will be \$5.7 million remaining in the fund for the Board to re-allocate as it sees fit. If the Board elects not to move forward with the land purchase, the entire \$9.3 million is available to use toward the capital needs previously described. The reasoning behind this suggested alternative is that they acquired the Sunshine State Loan Fund with the intent of using the entire amount to acquire land that would be assembled to attract a significant development to the Fisherman's Wharf property. However since that time, more than one developer has been in contact with the FPRA to work toward land acquisition using a different strategy. This opened the door to the Sunshine State Loan Fund for other purposes and that is what has occurred to date. They have allocated \$10 million of the Sunshine State Loan Fund to the Downtown City Parking Garage and another \$5.6

million has been allocated to buy property as part of the Port development strategies, specifically the entrance to the Port off of U.S. #1. It is anticipated that whatever debt is remaining in the Sunshine State Loan Fund after land transactions will become debt of the FPRA. What is not included in his memo, but is germane to this discussion, is that over the past year - and he is reminding them of this, because he had to be reminded of it - they transferred ownership of the Rollins Property and the Moore's Creek property from the FPRA to the City and they did that specifically because of grant applications that they had in for those two acquisitions.

What that means is, when the Finance Department makes those transfers, that \$9.3 million that he is referring to will be assets of the Redevelopment Agency as opposed to assets of the Commission.

That is a technical issue and it is kind of unrelated to the decision-making that is in front of them right now. What he believes their alternatives are at this point is they can adopt the General Fund budget as proposed using one-time revenue transfers from the Solid Waste and Marina Enterprise Funds; or they can reject the proposal and direct Staff to prepare a budget reflecting innovative policing strategies within FPRA, which will require reprioritizing projects funded as FPRA operational expenditures; or the third thing is, reject these proposals and give specific guidance to staff on alternatives that may be supported by three members of the City Commission and FPRA Board. As it relates to the additional debt issue, they can use the remaining proceeds of the Sunshine State Loan Fund to cash flow those selected projects that were described and defer projects that cannot be funded. The other option he sees is pursuing the \$13 million bond issue which will permit funding of all current projects described. He is convinced that it is not necessary at this point to pursue the additional bond financing. He thinks they can make the next six months, possibly even the next year, work without having to slow these projects down, as long as they all recognize that within six months or so they are going to have to have that discussion again. That concludes his prepared comments. If everybody is still awake, they can start talking about this.

Commissioner Alexander said he apologize for being late this morning.

In Mr. Beach's memo, he noticed that it says Moore's Creek permitting is still underway. He thought when they acquired that property, they were not putting that on the back burner for nothing. His second part of that question is, it says from 7th Street to 10th Street.

What is on 7th Street that they want to build? He thought that was in conjunction with the County if they expand their properties over there. But along that Moore's Creek, what is their intention there? He thought it was pretty much along there with the Council on Aging building their operations center and that they were going to continue west.

City Manager Beach said let him address Moore's Creek first. Moore's Creek has not been put on hold, there has not been a decision not to proceed with that. In fact, they believe they have the ability to let the first phase of that contract between 7th Street and 10th Street before the end of this calendar year. Is that right?

Mr. Jack Andrews, City Engineer, said yes.

City Manager Beach said so that has not put on hold. What he is pointing out to them in his memo is that if they have to make decisions about what they are going to do, that is one option that they have.

If they need to defer that cost for another year, they have the ability to do that if they chose to. But no one has made a decision

to do that.

Commissioner Alexander said the reason he is saying that is because the Fire District has to hire 50 firemen or EMT's or whatever. And he is trying to figure out, they envisioned Moore's Creek. He imagines each and every one of them has their own vision of how beautiful and fitting that is going to be. But when he does not see a grain of sand turned, it just kicks him back into one of those old modes that nothing is going to happen. Nothing has happened since he has been here and he has not seen it. Maybe it is something that is in the mold, but he has not seen it. And that is what he questions every year, when are they going to produce something to this community? If they say they do not need the housings, then why did they purchase all that property? If they say they are going to do something, why don't they do what they say they will do? His only other comment on that was about the jobs with the Police Department and Public Works. He thought they assured the Public Works that they would not skeleton their crew because of the work that they do. With all the new annexation into this City of Fort Pierce, they are like skeletons out there, bones meeting bones now. The police officers, he was in the hospital the last time he discussed it with Mr. Beach that he supported the community policing effort that the Chief had brought forward, and he has not heard anything about it yet. Because he was not here the last time, he just wanted to know where they are at now? With the budget now, where would it leave their General Fund?

City Manager Beach said if they were to adopt what is in front of them today, they would have 20 vacant positions in the General Fund.

About half of those they want to remain vacant anyway, simply because those are in departments where demand has slowed down in terms of their workflow, and that would be the Building Department and that sort of thing. But the others, this affects one Police Officer and he believes there are four Public Works positions that are impacted by this. The purpose of that is that they are trying to provide them a budget that shows the revenues and the expenditures balanced, and they simply have to make that reduction somewhere, somehow. They do have the ability to go the other direction, to create that innovation policing program that could be accessed. And that is why they are having this discussion and why this meeting is taking place today.

Commissioner Alexander asked that other program, how would that place them as far as balancing the budget, the community policing? Mr. Beach explained it to him and he thought Mr. Beach said that would make that General Fund stay where it is at, where they want it, and it would balance the budget. Did he not tell him that?

City Manager Beach said if they took a certain amount of the police operation out of the General Fund and they placed it in the FPRA fund, it would free up those resources to balance the General Fund budget.

Mr. David Recor, Deputy City Manager, said he can add to that. As opposed to the resources that are contemplated under the first alternative from Solid Waste and the Marina, they would not use those resources.

City Manager Beach said correct.

Commissioner Coke said she is going to start by asking a question she thinks she asked last year and the year before and the year before that. She keeps a budget book and it says: Account, Beginning

Balance, Plus Deposit, Less Expenses, Equals Carryover. She is looking at this years budget and she knows for a fact that there have been positions that were vacant for... She does not care if it was for a month or six months during the course of the year. They never show a budget with a carry-over figure of monies that were not expended from the previous year. Her concern is, number one, where do those monies go? Does everyone say, they lived without so and so here for six months, so lets go buy new computer equipment with that money? That money, in her mind, they can't start the City out with a zero balance. There has to be money September 30th that is not already allocated or predetermined to be spent on bills that have been issued prior to September 30th, and they never show a carry-over figure in the budget for any department.

City Manager Beach said let him try to answer that and then he will refer to Mr. Bergalis. That carryover that she refers to, they can also refer to that as their fund balance. The General Fund is operated just like a checkbook - money comes in, goes out. And at the end of the year, if they took in more money than they took out, then they have an increased fund balance. If they will notice, they try not to appropriate that fund balance. Last year he thinks they appropriated \$900,000 of the fund balance. They have been keeping between \$3 million and \$4 million fund balance all the time and that is their carryover, that is the funds that are not expended or appropriated.

Commissioner Coke said she understand that the money is there in the General Fund. Her concern is, lets say Department Z has a budget of \$200,000 for employees. And for six months out of the year they are missing half of their employees. They should have those figures available to them that in actuality was only spent \$100,000. Because she knows what happens. They budget \$200,000 last year, so now they have to budget \$210,000 to allow for increases, even if they only spent \$100,000. Her point is she does not know how well on each of these line items in the budget they stayed within their budget. She does not know if Department Z didn't use half of their personnel expense and overspent their computer expense, she does not know those things. Because what happens is, again they are going to go back to they are creating their own level of bureaucracy here if they do not know if these people have not spent that money on personnel or equipment or whatever, and they are automatically giving them an increase for next year. That does not work for her. She needs to know, they have been operating with two people instead of four; so instead of budgeting for the four next year, they should be budgeting for two.

City Manager Beach said this is a monthly finance book and it is delivered monthly to...

Commissioner Coke said yes, and she reads it monthly.

City Manager Beach said inside, in this budget, every line item that exists within this operation is defined and it tells them specifically what was spent, specifically what is left, and so on. He does not know how else to describe it.

Commissioner Coke said she can take that 120 page document and spend six hours to try and compare it to this 120 page document. However it would seem to her that they could put that document with this document and give not only this Commission but the general public a more comprehensive way to look at these things and to understand them.

City Manager Beach said this is the document that Mr. Bergalis uses to prepare that document. Would Mr. Bergalis try another approach to this? He apparently is not making himself clear.

Mr. George Bergalis, Finance Director, said there are two items that they need to address. First of all, at the end of each fiscal year Staff brings to the Commission a final budget amendment that shows by department for the fiscal year what that department's original budget was for the previous year, what they actually expended during the year, and then an adjustment either up or down. That is adopted by this Commission by ordinance. So they all know at that point in time exactly how each department has done for the year - either they spent more money than they had budgeted or they spent less - and then they itemize reasons why that happened.

Commissioner Coke said she understands that. Her question is, how do they let it get to be the end of the year with someone overspending their budget? She would think it needs to come back to them sooner than that.

Mr. Bergalis said if during the year they notice any particular department may be overspending in any particular line item or perhaps in their budget, they are notified that they need to make budget transfers. If in fact their department is over, then it has to be done outside of the department level and has to be done relative to himself and the City Manager, provided it is within the limits that they have the authority for. So the department cannot budget \$200,000 and spend \$400,000 during the year unless there is some approval process. One more thing, any monies that are remaining in any particular budget or in the total General Fund budget at the end of any particular year, according to the Charter, those monies lapse. Lapse means they are not available for any department in particular. They go into the big pot, the fund balance, and are available for reappropriation in subsequent fiscal years.

City Manager Beach said let him describe the process that a contract or an expenditure goes through in the City. If a Department Head tries to buy to something, he submits a purchase order. That purchase order goes from Purchasing to Finance. Finance verifies that there are resources within that line item and they have to sign off on it before it goes back to Purchasing for Purchasing to order it. So the mechanics are in place to control the budgets, as he understands it. Is that oversimplifying it?

Mr. Bergalis said no, he thinks that is telling it like it is. Just to add to the whole process, what they see a lot of times towards the end of the fiscal year, some of the departments for whatever reason, say they had some positions that were budgeted that they did not fill during the year and they have excess money, and not that departments would do this, but towards the end of the year they start looking and see they are going some excess money, and they want to buy some things that they did not even plan on. He tries to monitor that to make sure that does not happen. He always tries to tell them that it is not a crime to turn back money in from their budget at the end of the year. If they did not spend it all, no they are not going to get credit for it next year, it lapses into the General Fund overall budget, but it does look good that they lived within their budget for the year. And when the final budget amendment is done and it ends up that they had budgeted \$500,000 and they only spent \$400,000, hopefully somebody other than the Finance Department appreciates that.

Mr. Recor said because of that very checks and balance, he can assure them that the capital resources that the City Manager's office identified back in May, when they put a capital expenditure freeze on, the resources that have been saved have not been appropriated for other purposes. He wanted to specifically address that concern.

Because of that very checks and balance, they would not have authorized the transfer of those resources because they were intended specifically to save money in this fiscal year.

Commissioner Becht said there are two things that he needs to follow up on and he will start with what Commissioner Coke pointed out. He and Mr. Beach have talked about this when he came to see him on this proposed version of the budget. The way this is laid out...

He does not know if they can show this to the public or not. Are they being televised today?

City manager Beach said they are being televised. He suspects they can put this specific document on the screen.

Commissioner Becht said for those that have a copy in front of them, what they have is a breakdown of the actual 2005 budget, the actual 2006 budget and then there is a column for estimated 2007 and a column for proposed 2008. What he mentioned to Mr. Beach was it would be of assistance to him to see what the budget was for 2007 and what the projected is for 2007. And he thinks that follows up nicely with what Commissioner Coke was talking about, is that then they would know what the budget was for 2007 and what they are looking like they are going to hit for 2007. Remember the discussion?

City Manager Beach said he does. What Commissioner Becht is referring to is in the estimated 2007...

Mr. Bergalis said that is the 2007.

City Manager Beach said yes, he understands that. But what Commissioner Becht was asking for, instead of putting the figure in there that they are estimated at the time they prepared the 2007 budget, why don't they put the figure in there that they now estimate to be the cost? The best example he can give him is in a line item of revenue in the FPUA for example, they know they are not going to transfer \$500,000. Do they have the ability to change from the budget that estimate they prepared for 2007 to what they really believe is happening right now?

Mr. Bergalis said they can do that. They can do both.

Commissioner Becht said let him ask for a definition of what the estimated 2007 is. Is that the budget figure or is that something...?

Mr. Bergalis said that is the actual 2006/2007 budget.

Commissioner Becht said so the estimated 2007 is really the budget, what they said they were shooting for.

Mr. Bergalis said that is the actual approved 2007 budget figures.

Commissioner Becht said what he is asking for is, label that budget 2007 and have another column where Mr. Bergalis has to do some creative guesswork and say projected. Because he knows that if certain trends continue that they are not going to hit budget, they are going to be above or below budget in 2007. And he thinks that is what

Commissioner Coke is talking about.

Mr. Bergalis said they would like to have another column added. Is that correct?

Commissioner Becht said he would need another column, yes.

Mr. Bergalis said that is fine, they can do that.

Commissioner Becht said that would then give them an idea of any trends that may be revealed between budget and what they are encountering. That was his first point. The second point is actually in a comment that Mr. Beach had made. And if he understood Mr. Beach correctly as he was responding to Commissioner Alexander in regard to - he does not want to be sarcastic here - the enhanced policing, what he thought he heard Mr. Beach say is all they are doing is taking an expense out of the General Fund budget for 2008 and sliding it over to the FPRA. Based on his understanding of the program that Chief Baldwin came to them with, they are not creating any additional police officer positions, they are not buying any additional computer equipment, they are not buying any new uniforms or anything for an enhanced policing activity over there over and above what they already have. All they are doing is what some would call country bookkeeping. They are going to change where the money comes from for what they are already doing.

City Manager Beach said that is wrong. That is not accurate. The presentation that the Chief of Police made was an enhanced policing program directed toward the FPRA.

Commissioner Becht said then let him get a quick answer. How many additional police officers are they going to have with this enhanced policing?

Chief of Police Sean Baldwin said to answer his question specifically, the program that he presented included he believes four new police officers, a crime analyst, and a supervisory position. There were a couple of absolutely brand new positions that they do not have today. But he does not want to say that Commissioner Becht is completely wrong. Because the way the plan is laid out, it does take existing employees and redirect them toward community policing. That is, if they are going to cut 15 police officers out of the Police Department's budget, then essentially they do not exist anymore. So all of the employees are new employees. But that is not what is on the table right now.

Commissioner Becht said lets get to what is on the table, if he may. What is on the table today as proposed by staff and not really dealt with here... And maybe they all do not want to deal with this now, maybe they want to deal with it later.

Mayor Benton said lets deal with it now, that is what they are here for.

Commissioner Becht said the budget that is laid out the way staff has it with the funding via the transfers from the Solid Waste and the Marina, leave him with only losing ten employees if he is reading their report correctly. Does he agree with that?

Chief Baldwin said he believes it is seven employees, if he is not mistaken.

Commissioner Becht said the Chief is right.

Chief Baldwin said seven employees, one is a police officer.

Commissioner Becht said correct. The Chief educated him on the benefit of Community Services Aides, that they can do a lot of things that Police Officers cannot do. That was two or three budgets ago.

So it is not like they are inconsequential employees. But the Chief is going to lose seven employees if they do not do something innovative. So if they do the creative bookkeeping and they create the enhanced police service, will these people come back or not come back?

Chief Baldwin said it is almost two different plans. They can make this work however they want to make it work. When he presented the plan to them, he presented the plan as if - and that is where they were at they day he presented the plan - they were cutting fifteen or twenty positions out of the Police Department. They would be cut out of the Police Department. That was an alternative to doing that.

Commissioner Becht said he knows the question he needs to ask him. Based on this budget, how many new police officers does he get in the enhanced policing paid for through the FPRA? Based on this budget, how many new ones?

Chief Baldwin said none. There is no proposal on the table right now to... In other words, he thinks this is an either/or. And it does not have to be that way, it can be adjusted he believes. But in the budget that is being presented to them today, with the transfers from the Marina and Solid Waste, there is no new employees. But there can be.

City Manager Beach said he needs to clarify something here, they are going off in a direction that he is not following. The proposal in front of the Commission, the proposal that has been offered by staff and the recommendation of staff, is that they go with this budget in front of them. It does not use FPRA resources to balance anything. It uses transfers from the Marina and the Solid Waste to balance the budget. He thinks where they got off target, what he said is if this is not acceptable to them and if they want another alternative, then they need to tell staff that and staff will bring back another budget that reflects the enhanced policing program.

Commissioner Becht said where they got off track was he heard Mr. Beach say that they would take the funding of a portion of the existing Police Department out of General Fund and transfer it over to the FPRA. That is what he heard, maybe incorrectly.

City Manager Beach said he said that, but that was in response to a question that Commissioner Alexander asked, how that would work? But that is not the recommendation of staff and that is not the proposal that he has recommended that they adopt.

Commissioner Becht said he would like to make sure that he is reading what they have been presented correctly. If they go to Page 3, Detail Summary of Revenues, the actual budget for 2006 is \$42,746,695. The proposed budget for 2008 is approximately \$1.3 million less than the actual 2006 budget. Has he read that correctly? Well, that is actually the revenue sources.

City Manager Beach said that is correct. But the difference of course

has to do with the... There was substantial revenues generated and expenses generated that are reflected in 2006 that were hurricane-related. Those revenues were not repeated nor were the expenses repeated, so that is why it is less.

Commissioner Becht said even if he goes to Actual 2005 Total Resources, three years later they are \$2 million more, which is less than 5% over a three year period. That is the point he is trying to get at. It is a lot of money. But if they put things in perspective, in 2005 they had roughly \$39.5 million and they are proposing to spend in 2008, three years later, \$41.5 million. That is the point he wanted to get in the record.

Commissioner Nelson said he thinks it has caught him in a state of confusion in that they are jumping around and not being able to follow where they are going. He would suggest that they generally address the comments made in the City Manager's memo and of course follow through and determine whether or not the supporting data contained for every area be addressed appropriately. From his perspective he would say the memo is a very well written comprehensive memo. But he is not sure that the data contained in the individual supportive data substantiates exactly what he is trying to portray here. He has talked at considerable length with the City Manager on this. And he has some specific questions he would like to pose. Before he moves from there, let him look at the point that Commissioner Alexander was talking about relative to the 7th Street to 10th Street Moore's Creek permitting. He is not sure if they got an answer on that. Do they go from 7th to 10th? Do they do just the Linear Park and Moore's Creek? Do they do some houses in there in the area of Dundas Court where they said they were going to do three spec houses? Those questions were not addressed. The basic premise of them having to authorize the Solid Waste to increase its funding by 15% for the specific purpose of transferring to the General Fund, he does not particularly recall them doing that, but they might have done that. If they did, then of course the question would be in his mind as to whether or not that is legal, notwithstanding the fact in prior years they have taken money from the Solid Waste and given it to the General Fund to balance the budget. Those questions he would have from that general standpoint. And if they were to go further into the document, then he will start asking more specific questions as to how this budget is going to be balanced. Because as he sees it right now, the supporting data makes him believe that it is not going to be readily apparently balanced even with the transfer from the Marina and the transfer from the Solid Waste. He says that primarily because there are certain areas they have not fully addressed. For example, they are using current salary figures and they have some outstanding monies that they have to account for - the union pay that they have to deal with, potential COLA that they have deal with, and other increases in costs that might be legal that they have to address. Before they get into the details of each various department, he would have them address an overview in that regard if they could. If they think for example that they are going to give 3% raise to their total workforce in salaries and wages. If they were to give a 3% raise, that is going to raise across the board just for non-bargaining folks, that is going to cost them \$500,000 to \$800,000, and they need to compute that. If they add that on to the present salary structure, then of course the budget will not be balanced. There are other entities there that also would cost them some monies that they need to address.

Mayor Benton said he knows in the past they have always asked that question, but he does not believe they have ever included pay raises

in the budget because they would not want to send a message that they are putting 3% in there and then they will want 5% or 6%. He thinks there is a fund there to draw from normally, maybe not 100% of it, but he thinks in the past they have always left that language out.

Commissioner Nelson said he agrees, and he thinks to a certain extent that has a lot of value. But it is becoming an albatross around their neck in that they need to make a solution.

Commissioner Coke said it seems to her that about a year or a year and a half ago when they were last discussing negotiations and salary increases and benefits, that they as a Commission gave some directive to staff, correct her if she is wrong, that they wanted to not be in this position again this year, that they wanted to institute a COLA that needed to be tied to something, and raises that were tied to performance. Did they not during the last go around establish that directive?

Commissioner Nelson said they tried to do that, but he does not think it was locked in concrete to the point that staff could act on it responsively. Unfortunately for them, they started this budget cycle and discussions a little late. He is not sure that everybody that needed to have a crack at it got a crack at before it came to them in this form they have today. But it is something that needs to be done, he can assure them.

Mayor Benton said he thinks most of their contracts, a lot of them were their second or third year, and he thinks the only thing they had for openers or up for discussion were salaries. Is he right? He thinks they are looking at new contracts within the next year that could be one to three year contracts where they can talk about other conditions of the contract.

City Manager Beach said they are in the third year of compensation only with the Teamsters union. But starting this year, they have ended a three year agreement with the PBA, so everything is on the table with the PBA this year. They have in the past, he recalls there was discussion about trying to find a way to work those into their pay scale and they have tried in the past, and they have been unable to make any progress as it relates to the unions. He thinks what they have talked about previously was applying that policy to non-bargaining staff. Is that accurate? He does not know where they went with that, but he recalls that discussion.

Commissioner Nelson said even if they were take the non-bargaining aspect of their personnel funding, they do not have that cranked into their budget figures.

City Manager Beach said they do not, that is correct.

Commissioner Nelson said with the union folks it comes to \$800,000, non-union might come to \$300,000. Add that to their present funding, it would increase exponentially, he is sure. So those types of things he thinks they need crank in here to possibly come up with a balanced budget. The other discrepancies which he thinks they... Invariably they are going to have some contingencies in these things, they are going to have some unknowns; but they have something for that, something called the reserve fund or fund balance. And that is for their discretion, that is for them to make certain adjustments based on the best information they can get from the staff. And the staff should be giving them as much hard cold facts as they possibly can, best guestimates from a professional standpoint. The Commissioners

have the latitude to say they are going to take \$500,000 from his fund balance and put over here to get them out of trouble, do not make that same mistake again next year.

Commissioner Becht said he is not sure if he agrees with Commissioner Nelson. Can anybody tell him what the fund balance is today?

Mr. Bergalis said it is approximately \$2 million.

Commissioner Nelson asked what do they normally have? 10% would be \$4 million.

Commissioner Becht said it would be \$4.2 million if they adopt this budget. The memorandum they got from the City Manager and staff has specifics in it and it has a general comment about they are going to have to adapt, they are going to have to be creative. But the City Manager has ten or fifteen points in here that since the date of the memo, August 22nd, have changed because the world changes.

He talks about the Federal Courthouse being started in November, they now know that is not going to happen. Salvation Army moving their issues over to the Love Center Ministries, they heard that has changed. The H.D. King Power Plant, both the Mayor and City Manager have alluded that may not happen in May of 2008. They are charged with doing the best they can with the most accurate information they have at hand and also understanding that information will change this afternoon. He thinks all of them aware that they are in negotiations now which are going to increase the costs to the City. To plug in a specific dollar figure he thinks might be inappropriate as it may tip their hand as to what they are really thinking about doing. He knows they have to do it; and when and at the time they do decide on what the proposal will be to deal with the salary issue, staff is going to have to tell them where the money is coming from. They have done that historically for 100 years, he thinks, and they will do it the next time. They come in and make a recommendation, the Commissioners talk about it and make a proposal for their negotiator to go back to the union with. Number one, to plug a number into this budget, he thinks they do not know collectively what they are going to do and he is not willing to talk about what they are willing to do in this format, they have shade meetings to do that and that is where it belongs. Number two, they do not what the union will accept or not accept. It is so speculative a figure that he thinks it has to be dealt with the way they have historically dealt with it, which is in the shade meetings and getting input back from staff. He did want to point out that his understanding of where the fund balance was, it is low; and that is not the magic savings account that they may have thought it was.

Mayor Benton said he wanted to say something about the power plant.

The worst case scenario with the transformer problem, which hopefully will be alleviated and there is a good time frame there, but the worst case scenario would be it would have to stay on line for maybe a month or two. Nobody wants to do that because the staff that works this plant will be going to the new plant. But they would not want to put the City in a predicament where...

Commissioner Becht said he does not see that it dramatically impacts the City budget, it will affect the FPRA budget. But his point is, it is not a static situation, it is a situation that changes hour to hour and staff has to be ready to deal with that.

Mayor Benton said just like the unexpected, the referendum in January.

He can see a special session in Tallahassee and them looking at

a whole new set of guidelines going into next year's budget.

Commissioner Alexander said him not being here last meeting, he was able to observe and he listened very tentative to things they were saying. And he still questions the proposal that was brought up by the Chief about the community policing. He is not going to beat that as a dead dog. But his thing is, also in his conversation with Mr. Beach was, those funds from the Marina and the Solid Waste was a one time fund. So once that was utilized, it is no more, can't come back, nothing left. This program that the Chief was implementing is not something that he just went out and pulled out of the sky. It is proven, it has been proven in several cities he understands, and it is a legal type thing because he heard that question coming up too. His question to this Commission here, if they are going to try to balance a budget and deal with their police officers and their union people, if they go with just the Solid Waste and the Marina, where are they going to get that money from to deal with the unions? If they went with the community policing, that will free up those monies that are there to be utilized.

Mayor Benton said what he is hearing from Commissioner Alexander, and it is something he agrees with, is if there is three of them here that feels that they need to tell the Chief, the City Manager, and Mr. Ward to take a look at how they can do that, they should.

Because it appears to work in a lot of the cities that are reflective of Fort Pierce - Delray Beach, Palm Beach. He thinks it is something they need to do because of the unpredictability of their future in the next couple of years with their budgets. Knowing they have come a long way with their law enforcement and with major crime in Fort Pierce, to even consider a setback there would be a step in the wrong direction.

Commissioner Alexander said the FPRA, their task is blight and slum. His thing is, the Solid Waste and the Marina is a one time fund - if they deplete it, there is no more, they cannot come back. But if they were to implement that policing, they would have at least a year to utilize those Marina funds and Solid Waste funds in some other...

Mayor Benton said right, and he would hate to cut them short because Mr. Hopkins always needs to replace garbage trucks and those are not cheap, and Mr. Kubitschek has a Marina to rebuild. And taking that money, unless it is a loan which he prefer not to do, but they have a Marina that is a money-making venture that needs a few dollars in the bank.

Commissioner Alexander said maybe Mr. Beach needs to explain to him again. When he says that money from the Marina and Solid Waste is a one time fund, it will go away. That is not going to be replaced to those individuals, it is just going away.

City Manager Beach said yes. Let him address that. The Marina resources could be replaced in the Marina over time. There would be no reason to replace the resources to the Solid Waste Department.

He is going to emphasize again, Staff's position on this is they believe that over time they really do have to look at their FPRA allocation and how they do this. He is not suggesting that they do it right now. If they are going to consider that, he thinks it should be a long and deliberate discussion and involve the community and decision makers. And he would encourage them to accept this budget the way it is proposed; and then to direct staff to come back within the next year and show this Commission how that work and how

it would comply with the law and how it would help this community achieve its objectives.

Commissioner Alexander said he is only saying that this FPRA sits here, the monies that is expenditures out of those are for blight and slum area. Not that he objects to them doing or what they have done, buying buildings just to entice developers to come in, those monies that they spend on buying those buildings could have done something entirely different in another direction. Mr. Beach is saying a year later? He has been preaching this for the last four years that he has been here, it has been year after year, that reallocated monies go in different directions. And they have not heard him say but one thing and that was the Sunrise Theatre, that he went along with that too, but he just had to speak his piece about that.

Commissioner Coke said these meetings are really very painful for a number of reasons. She is surprised that their General Fund balance is as low as it is because she believes they had enacted an ordinance that they could not go below a certain point. And when it fell below that point, she must have missed the memo that let her know that they were below that and were in trouble. When they talk about the police program, a very interesting program, her question is if things stay status quo today and they did not have to make any budget cuts, they are going to be utilizing basically the same officers that they have in place now. The Chief is saying that with budget cuts, that if they were to fund this program, it would be like having new officers because in essence he is not losing them. Then her question becomes, wonderful program going to be done with the same number of officers they have now, wherever they are paid from, if it is a great program and it will work, why haven't they been doing it for the last ten years? They have had the officers. What difference does it make if they paid them for the last ten years out of the General Fund or out of the FPRA fund. If that is where the need is, then they should have been doing that program all along from day one.

Commissioner Alexander said they told them they could not.

Mayor Benton said Chief Baldwin was not the chief then.

Commissioner Coke said she understands that and she is not criticizing Chief Baldwin. What she is saying is, if there is a program out there that works, there is no reason why if they have been funding the Police Department with x-number of officers from the General Fund, there is no reason they could not take the same officers and the same General Fund and have them run that program. There is no reason it could not be done. She is going to express concerns about taking money from the Marina and Solid Waste. She thinks they are putting themselves in a very precarious position. They need to be rebuilding the Marina, they need to have that money available. Mr. Hopkins does a commendable job and heaven knows where they would be if all of a sudden they did not have the capabilities of operating properly to do his job because she would not want to be living here.

She is going to bring up again, and she brought it up when they did pay studies, she brought it up a hundred times before, and she does not ever seem to be able to get an answer. She does not know if they just do not know who the right people to call on to get the answers, or if just nobody wants to get her this answer. But they did a pay study. When she sat down with the gentlemen that was doing the pay study a couple of years ago, she asked can he not also give her figures on City of Fort Pierce x-number of square miles, x-number of population, approximately how many people should they have in

Human Resources, how many Police Officers should they have, how many management people should they have? Those figures. There have to be like cities like Fort Pierce in the State of Florida. She is sure they can pick up the phone and call and ask how many people do they employ here in their Planning Department, in their Code Department, and in their Police Department? They do not know today if they are running a lean mean fighting machine or if they are overburdened with many executives and not enough worker bees. She knows everybody gets tired of listening to her say that they are adding more chiefs and getting rid of the indians. And if they want her to stop saying it, they need to bring her some hard facts showing that they need to have all these managers, they need to have managers and assistant managers and assistants to the assistants and all those other things. Until they show her that, she is going to continue to say that as long as she has been involved in this organization, it has only been six years, they are getting top heavy and they do not enough feet on the ground doing what needs to be done.

Mayor Benton said he has been here for twelve years and also Commissioner Nelson. He remembers for years there was an empty title for a Deputy City Manager. He thinks what really pushed things there was when they were looking for a new City Manager in Vero Beach and Commissioner Nelson brought down twenty-something resumes and they saw what was out there. And knowing that Fort Pierce is a very unique community with a lot of history, they couldn't very well drag in a City Manager off the street to replace... If and when Mr. Beach decides to go, it would be nice to have somebody trained in-house for when the times comes. He thinks they all agreed to that. They saw what happened when they hired somebody in Vero Beach and it has been a nightmare. Just like Fire Chiefs, it is a lot easier to have somebody from within that is trained than to go out on the market and try to relocate somebody to Florida. That is where their numbers go up. To him it is a good deal when they have somebody that is well trained, ready to take over when the time comes.

Commissioner Coke said she is not intending to pick on the City Manager's Department. But when she came on board here, there was Mr. Beach, Ms. Satterlee, and a secretary. Now instead of those three, they have Mr. Beach, Mr. Recor, Ms. Satterlee, and three secretaries that are called by different titles, assistants or whatever else. They have doubled the size of that department in six years that she has been here.

Mayor Benton said the only thing he can say about Mr. Recor, they have been very lucky. When the Planning Director left and other people, he has been able to step in. He has done a heck of a job.

Commissioner Coke said she is not looking to point the finger at any one person. Her big objection is they are making their lives easier. Mr. Beach has an assistant. And then there is a Deputy City Manager. And then each one of them has an assistant. But he is going to tell her that they cannot share an assistant even and put more people to work as community aides in the Police Department? That is her objection. She could not care less if they have enough money to balance the budget, let everyone sit here and have an assistant. But when they are telling her that they have to take police officers off the street and community service aides off the street and they cannot fund that, but they need three assistants to the City Manager, the Deputy City Manager, and the Assistant to the City Manager, she just finds that a hard stretch.

Mayor Benton said Anne Satterlee might have a title as Assistant

to the City Manager, but her job is working on annexations. They have seen how many annexations that have come in front of them in several areas of the City. There is a title there, but these few people have lots of...

Commissioner Coke said she is not going to get into personalities. But know what? It took Commissioner Becht to come to them and say, by the way they have 365 properties that are eligible to be annexed that they have done nothing on.

Mayor Benton said he knows they have been actively pursuing it.

Commissioner Nelson said he has been waiting, it is 11:15 now and they have not even gotten past the City Manager's memo. He basically agrees with some of the comments that Commissioner Coke made. But he thinks before they start making decisions relative to whether or not they are going to have the enhanced policing or get more people or less people in various departments, that they go through the various individual submittals by the various departments and get all the collective data they can, and then ultimately make a decision as to what they want to do relative to the recommendations that the City Manager made for coming back with a budget, whether they want to modify something in there to have them recrunch some numbers or whatever the case may be.

Mayor Benton said they have already been through each department's budget. If there is a specific department that a Commissioner wants to go back to and...

Commissioner Nelson said when they got that first budget, he came to it rather fast and furious and he honestly did not go through the various numbers. But since that time he has had the chance to go through the various numbers associated with each department and he does have specific questions that he needs to have addressed.

Commissioner Becht said he agrees with Commissioner Nelson that they need to get into the budget and need to talk about the budget, they either need to accept it or recommend changes to it. He wants to try and clarify his position because he thinks it is important to do that. This budget is balanced, or any budget that is balanced out of the General Fund, provides for an effective policing department which includes policing in his district. If they balance the budget, it is still going to do that. If someone wants to come to the FPRA and say they want to create an enhanced policing crime prevention bureau, technique, policy, whatever, then he is going to evaluate that and he is probably going to support that at the end of the day.

What he is not going to support is taking existing policing in his district or the FPRA district and saying lets shuffle that expense and pay for it out of the FPRA because the FPRA is the only thing that they really have excess money in. That excess money is for extra enhanced policing, it is not for day to day function. He just wanted to clarify that with the Commissioner, if he did not understand his position on that.

Commissioner Nelson said he agrees with him on that.

Commissioner Alexander said his concern is, if it is a tool or instrument that they can use to the betterment of this community, that area, then he does not think they should be wasting time to see whether it will work or will it not work. The thing about it, is it is not going to be coming directly out of their General Fund, but it is going to be coming from the FPRA. And his concern is,

if that can free up and that can make a community better, if they just duplicate the last two or three months that they had in this year. It was not done by itself. So whatever they did, whatever departments had participation in that, whether from the City Manager down to Harold Hopkins, they need to try to implement some more of that. He is telling them, just being around those kids and seeing that. They are afraid of the police; but again, they are not going to run into a blank wall just because there is a police officer standing there. That was just his version. He heard and he appreciates what Commissioner Becht is saying about where the monies had to come from. But they just last year had a whole department being paid from the FPRA and he had not gotten a crouch on that yet, but it was said it could be done and it was done. Again, whatever they can bring in this community that is going to benefit this community as a whole, if it is just one street throughout that northwest section, it is going to make this whole City proud. He is just up and ready to go and walk the beat, walk the walk or talk that talk.

Mayor Benton said he thinks they are going to have that discussion today because he, like Commissioner Alexander, feels they do not need to wait on that, they need to at least pursue it as soon as possible, because they are going to have this problem again next year.

Commissioner Nelson said at the end of the day they will be able to make a decision relative to that. Now shall he proceed with this? He proposes he start on Page 8 of the budget. First of all look at the City Commission. The Mayor always says, lead by example and all that. Significantly he sees there the sizeable increase of line FICA. It went from \$2,000 to \$12,000. Commissioner Becht is an expert in that FICA business because it addresses the fact that FICA should in fact be tied to wages. And it was pointed out in the audit report some feedback they got from the audit with the IRS that they were not taking out their FICA. And that is an understandable increase. He hopes everybody agrees with that. The next thing is in the area of Line 4030, Conferences. They have travel there for \$20,000. He hopes everybody agrees with that significantly because they had a great long discussion on that and he hopes no one has changed their mind about those conferences.

Mayor Benton said what he would ask from all of them, he thinks the challenge is there to save where they can.

Commissioner Coke said she is not sure what Commissioner Nelson's question was.

Commissioner Nelson said she will see as he goes further, because he is going to point out to them as he goes through the various departments where there is an unique discrepancy in FICA versus wages in various departments.

Commissioner Coke said FICA is 7.68% of wages. It is required to be taken out of all employees and it is a match with the City.

Commissioner Nelson said he understand that. He is looking at the written document as to what they propose to do. If they look specifically at certain departments, they will find salaries and wages have gone up and FICA has gone down. He thinks that is wrong or needs some explanation. He will get to that as they move along. But he wants to get rid of every department as they go along so as not to come back to it. At the end of the day they should be

able to say whether or not they want to have enhanced policing, they can say whether they want to have a certain amount of money for Solid Waste, they can say that right down the line. That is his point.

Commissioner Alexander said he was told that the Commissioners did not have a budget for furniture. He has called on three or four different occasions to Mr. Beach's office where he turned to his desk and pulled the drawer out, the drawer gets stuck and snaps his fingernail in half. He has had it done several times. And it seems the heck with a Commissioner asking for a desk. He is not asking for a Taj Mahal desk, they can go down to surplus and get him one. He was told that could not be done because they did not budget any money for...

Commissioner Nelson said here is a case where he can put it in there. Make a note, and at the end of the day they can say add a desk for Commissioner Alexander in there. That can be solved.

Mayor Benton said under miscellaneous expenses and office supplies, he hopes that under that budget of \$8,000 that they can fit in a new desk.

Commissioner Alexander asked over the last three years, they had nothing?

Mr. Recor said Commissioner Alexander's furniture has been ordered.

Mayor Benton said he does have a question as far as the advertising, the \$21,000. He knows they had talked about not advertising their agendas in the newspaper. What is that \$21,000 for advertising?

City Clerk Steele said when the proposed budget figures were plugged into the Finance computer, it was May, she thinks that was the deadline. And at that point in time, they were still advertising in the newspaper. So this was the proposed budget using those figures.

City Manager Beach asked can this figure be removed?

City Clerk Steele said it can be removed.

Mayor Benton said so everyone knows, that is a \$21,000 savings by not advertising in the paper. They can advertise on their television channel, Channel 27, and on their website.

Commissioner Nelson said that will be deleted.

Mayor Benton said that is because the County was getting it for free and the City was paying.

Commissioner Nelson said kudos to Mayor Benton, he saved them \$21,000.

Next is City Manager. He would point out, here they are talking about the present salaries, they talk about the City Manager making \$134,000 a year. The probability will be some increases as they go along, and whether or not they need to crank that in or think in terms of reduction on that. He does not know. He is going to point to Page 10, the increase was minimal on the salaries and wages for \$435,000 up from \$423,000 before. The FICA went from \$29,000 to \$33,000, which is not inconsistent with the regulations as he understands them.

Mayor Benton asked the \$40,000 for advertising?

Ms. Anne Satterlee, Assistant to the City Manager, said the advertising in their budget goes to website hosting, also any kind of electronic functions that they have added, the WEB-QA. It is also for print advertising for publications promoting the City and the positive things they have been doing for the past ten years. Also included is Treasure Coast Almanac and Indian River Magazine, they do advertise and promote the City, as well as any print media that would go to the Florida League of Cities or PAL programs or things that are deemed necessary for publication.

Commissioner Alexander asked who is in control of programming their television?

Ms. Satterlee said they have a contract with St. Lucie County for that and it goes through their office.

Commissioner Alexander asked who signed off on that?

Ms. Satterlee said it was voted on by the City Commission. It is an Interlocal Agreement.

Commissioner Alexander said so in any given week what they look at on that TV has no input from the City employees?

Ms. Satterlee said it comes through the City Manager's office.

Commissioner Alexander asked they preview it and they say okay?

Ms. Satterlee said it is basically the review of whatever they have for their taped meetings and any kind of public service announcements.

Commissioner Nelson asked in the area of the \$6,200 for vehicle lease, did they increase that amount? Is he getting a new vehicle this year?

City Manager Beach said no.

Commissioner Nelson asked same as the one last year?

City Manager Beach said correct.

Commissioner Nelson said moving on to the City Attorney who is attached to them for legal matters, \$727,000.

City Attorney Schwerer said they removed their office equipment for \$5,500 out of that, so it should be deleted from the budget. That was done at the last meeting on the budget. They can strike the \$5,500 capital outlay, Item 6410. That reduces that figure. Otherwise they are at the same budget as they are this year 2007.

Commissioner Nelson said they saved some more money there.

Commissioner Alexander said he sees that the City Attorney makes x-number amount of dollars. The Assistant City Attorney makes more than the City Attorney?

City Attorney Schwerer says no, that includes three of them.

Commissioner Alexander asked he has three attorneys?

City Attorney Schwerer says yes.

Commissioner Nelson said FICA worked out okay there. He does not have real heartburn with that one. He is going down to Human Resources. They talked in prior years about having consistency in the titles of the various people, i.e. Executive Assistant, Administrative Assistant. And there was a need for a Human Resources EEO person in that organization down there. What is the status of that?

City Manager Beach said as they can see, it is not included in this proposal. What that means is that the director of that department continues to serve in the capacity of the EEOC compliance officer.

Commissioner Nelson said the director is not here, so she cannot fight for her own problems.

Commissioner Coke said she did not want to go through this budget line by line again. She thought they did this before. But she is looking here, she does not understand why they have six positions again this year in Human Resources, but they are taking a lower paid Administrative Assistant and discontinuing that position and adding a higher paid Executive Assistant. Can somebody tell her what the difference between the two positions is? And why they are getting rid of a lower paid person to bring in a higher paid person?

Ms. Gena Spivey, Human Resources Generalist, said actually the Executive Assistant and the Administrative Assistant, they are both on the same pay level. It is just a title difference. There is not one that is higher than the other.

Commissioner Coke said according to the budget, it is higher.

Ms. Spivey said it is based on probably the years of service that the person who is filling the position was in there. The salary will reflect their current salary as opposed to someone being new. Commissioner Coke asked so they renamed whomever the Administrative Assistant was, they renamed them Executive Assistant?

Ms. Spivey said correct.

Mr. Recor said no, that is not accurate. There has always been a two Executive Assistant positions in the Human Resources Department. One was vacant. There was an internal transfer that they had and there are two Executive Assistants.

Commissioner Coke said she is not looking to be argumentative with Mr. Recor yet, but she is going to show him what he gave her; and what he gave her shows for 2007, one Executive Assistant and one Administrative Assistant.

Mr. Recor said it is not accurate, she is correct.

Commissioner Coke asked she is spending time reading inaccurate information?

Commissioner Nelson asked how are they going to change that?

Mr. Recor said there are two Executive Assistants in the Human Resources Department.

Commissioner Nelson said there are two Executive Assistants. Why do they need two? They have a Director, they have a Generalist, and two Executive Assistants.

Mayor Benton said where he used to work, usually the position had a pay scale from this point to this point, and when they got a raise that brought them out of that position, they jumped to the next position. Could that be what this is?

Ms. Spivey said yes, it is. The Administrative Assistant, they do not have that. It is in the budget, but there is no one filling that position.

Commissioner Coke said she thinks the way it is proposed, they have a Director of Administrative Services and a Human Resources Generalist, then they have two Executive Assistants, she guess one for each of them, and then they also have a Human Resources Assistant. So they have an assistant that does not have anybody to assist. Three assistants and two management.

Ms. Spivey said actually the HR Assistant, that person inputs all the information, she really assists the whole office. The Executive Assistants, they assist both the Director of Administrative Services and the HR Generalist and the overall office.

Commissioner Coke said it follows through the whole organization, they have assistants to the assistants.

Commissioner Nelson said that leads to, in his opinion, a need for reviewing the job descriptions of all people within their system, so they do not have that. He has seen cases where they have directors supervising directors. Now they have three assistants for two chiefs. And the Commissioners don't have anywhere near that. What kind of changes should they make there? Be mindful, this document here, the budget is one of the most important plans they have to deal with. It becomes the Bible when it comes down to them doing things in the future. It is a policy setting document. So they make decisions here, staff comes back and says it is in the budget, they have very little recourse.

Mr. Recor said in absence of the Human Resources Director, he will share with them that she has provided a proposal to the City Manager's office to address the titles of these positions in her Department. However, it will not affect the budget. In the next draft, they will correct the titles of the position, but the overall budget will not be changed or affected.

Commissioner Nelson said but somehow or other these titles are going to be tied to budgetary figures that they are going to have to live with.

Mr. Recor said correct. They will make that adjustment.

Commissioner Nelson said they should have something that they can live with.

Mayor Benton said maybe the Human Resources Director needs to go through every department in the City then. He knows a lot of these titles are because of pay scales. But if it sounds better to the public and everyone else that these people have a different title throughout. He thinks that is going to be a job that is going to take more than a couple weeks, but he thinks they need to readdress the titles.

Mr. Recor said he knows there has been a number of comments made

in jest about the assistants. But he will also say that the Human Resources Assistant is simply a title that was assigned by the pay consultant. That position is not an administrative assistant position. That position deals with employee orientation, it deals with benefits, and whatnot. It is not an administrative support position, but rather that title was simply assigned by the pay consultant.

Commissioner Nelson said he is moving to Page 15. There again he is focusing on the FICA and the salaries and wages. Here they had an increase in the wages and salaries, and had a decrease, even though it is so slight, in the FICA. Eventually they are going to get this thing... These are minuscule amounts, i.e. \$500 or so, but they are going to run up to the case where they get to \$10,000, and then he is going to look over to Mr. Bergalis and let him explain that. Finance, Page 16, he is happy with that. FICA and everything, no problem there. As opposed to last year, they had the MIS under this organization, now they have them out separate, is that right? Is that is why it does not show up here?

Mr. Recor said two years ago they were removed.

Commissioner Nelson said Page 19, MIS, he has no question with their overall budget, \$960,000. He is concerned with the Salaries and Wages, they went from \$274,000 to \$296,000, and a decrease in FICA from \$27,000 down to \$23,000. Rationale please?

Mr. Bergalis said he is pleased to have this opportunity. Coincidentally, FICA has become a very relevant issue because someone called him yesterday spoke to him exactly about these same issues. Rather than him waste a lot of time trying to look back at the 2007 and determine what was the difference between that and why is the estimated FICA for 2008 different, he just went through randomly and looked at what has been plugged in here as FICA expense based on upon salary cost and overtime cost for the 2007/2008 fiscal year proposed budget. Those numbers are accurate. So he was not real concerned then about why there may have been a difference.

Commissioner Nelson asked the \$4,000 difference there, what is the rationale for it? First, let him ask this question. Is it general practice, as Commissioner Coke pointed out, that if they have an increase in wages and salaries, that they have corresponding increase in FICA? Generally the FICA does not go down, is that correct?

Mr. Bergalis said FICA is a condition of salary.

Commissioner Nelson asked a percentage of salary?

Mr. Bergalis said a condition of it, yes. As that goes up, FICA tax goes up. If that goes down, the FICA tax would reduce accordingly. Like he said, the phone call he got yesterday had similar questions and he looked at whether or not he wanted to spend the time trying to figure out exactly what was plugged in for 2007 and compare it with 2008, or were the estimates for 2007/2008 proposed budget accurate. He looked at those on a random basis and determined that they were and he left it go at that.

Commissioner Nelson said Page 21, Purchasing, he has no problem with that. But he sees a \$7,000 differential in FICA versus wages on that one. He guesses the previous explanation that Mr. Bergalis made would apply in this case?

Mr. Bergalis said he hopes so.

Commissioner Nelson said he is going to Page 24, Planning. He does not know exactly what happened with all those zeros on the previous page, on Page 23. Does anyone know?

Commissioner Alexander said Community Development. Isn't that the jobs that went away?

Commissioner Nelson said he thinks basically the reason they have that is it was done away with.

Mr. Recor said no, those responsibilities were absorbed into the Planning Department and are reflected on Page 24.

Mr. Matt Margotta, Director of Community Development, said Page 23 is just as the Deputy City Manager has explained. All those positions have been absorbed into basically either the Planning Department or somehow taken care of with the Community Services in just the reorganization that they did. That was based on a memo back in... He thinks the whole notion started in July and they finished it out on July 30th it all become effective. So the budget before them shows basically a reorganization of the Community Services Department and the Planning Department to become the Community Development Department.

Commissioner Nelson when they go to Page 24, they are dealing with the personnel in the Planning Department, the Planning Director? He has some real concerns with this being a subordinate of the Community Development Department. As he indicated earlier in his dissertation concerning the City Manager's memo, he thinks the general public has a need to know how they are organized and who to interface with. Planning is a big part of their business. On Page 24 there, the Director of Planning, that is him?

Mr. Margotta said that is correct.

Commissioner Nelson said they have an Executive Assistant down there. Who is that?

Mr. Margotta said they kept one Executive Assistant for him, as he administers the whole department. They have an existing Executive Assistant from the Planning Division, she remains in that position. One of those Executive Assistant positions, they are working on reclassifying it into a planning tech or a planning person. At the time that this was being drafted, they had to keep her in her current Executive Assistant title. But that title is going to change. There is no pay change, it is just a matter of changing the titles. That is on-going right now.

Commissioner Nelson said the City Manager put out a memo indicating they had no additional hires. But he went from approved positions of two to three.

Mr. Margotta said one of those Executive Assistants is the Executive Assistant from the Community Development Department. On Page 22, that blanked-out Executive Assistant is one that was actually moved over to the Planning Department.

Mr. Recor said previously funded by the FPRA. That is the difference. In last year's budget, that position was funded by the FPRA. This year it is not.

Commissioner Nelson said his point is not who funds it. His point is, are they in fact following through with no additional hires in the various departments?

Mr. Recor said the only difference would be the current position on this organizational chart that is shown as Administrative Assistant vacant, under the hiring freeze, would not be filled.

Mr. Margotta said these two will not be filled.

Commissioner Nelson said but they go from ten people to thirteen people.

Mr. Margotta said that is because they are combining departments and several of the folks were funded by the FPRA in last year's budget. He has not done the math on what they started with, what they ended with, and what was FPRA before. But the net effect is that they are actually losing people in the entire organization between the Community Services Department and the Planning Department.

Commissioner Becht said he thinks he understands. Last year they funded some of the positions that are talked about in this increase, because it appears on the one sheet that he is looking at that they are going from ten to thirteen. But as Mr. Margotta said, the total number of employees in this restructured flow chart does not really increase; it is just that now they are going to be clearly within the general budget as opposed to the creative financing where some were in the FPRA funding and some were in the General Fund. Now they are all going to be appropriately funded from the City. That is his understanding of what they have done. It is more accurate accounting.

Mayor Benton said he can tell them from walking through the offices there, working in the office there, there are fewer people, they have not been replaced, they lost people to the County, a couple of them have left, so there is less people.

Mr. Margotta said they lost the Planner position that they are not funding this year. But they lost three positions from last year in the Planning Department and all those positions in the Community Development Department.

Commissioner Nelson said Page 25, looking at the \$100,000 increase at the total appropriation from \$1.3 million to \$1.4 million, and if they go up further in Contractual Planning where they had a bunch of contract people in that department, they are now at \$400,000. They went up, yet they still let those contract people go. Who are examining their plans?

Mr. Margotta said that is actually in the Building Department. They do not have any contract personnel in the Planning Department.

Commissioner Becht asked is this for the LDR rewrite?

Mr. Margotta said yes, as well as two other planning events.

Commissioner Becht said Commissioner Nelson let slip that there is a \$100,000 increase in this budget and that is not accurate, it is less than a \$50,000 increase.

Commissioner Nelson asked Page 26, who is that? Is that part of

his department too, Building and Code Enforcement?

Mr. Margotta said no. That is Marc Myers and also covered by Peggy Arraiz.

Commissioner Nelson said this one really has him confused.

Mr. Recor said this should make him very happy. There are about six unfunded positions in this department.

Commissioner Becht said it does not make him happy.

Mr. Marc Myers, Building Official, said the bottom line went down. The budget for both departments went down.

Commissioner Nelson said lets go up to the top here dealing with the Director. Who is that?

Mr. Myers said that would be him.

Commissioner Becht said it is unfilled. That was John Alcorn's position. Mr. Alcorn left and it has not got filled yet. It says unfilled right there on the left side. He is talking about the Director of Building & Community Response. Commissioner Nelson was asking what happened there and it says unfilled.

Commissioner Nelson said he accepts that. Now the Executive Assistant, who is that?

Mr. Myers said that is Pat Cobb. Commissioner Nelson said she is pretty high in terms of cost there, \$46,000 for an Executive Assistant.

Mr. Myers said she has been here for 30 plus years.

Commissioner Nelson asked do they have a Deputy Building Official?

Mr. Myers said they do not.

Commissioner Nelson said he noticed Building Inspectors unfunded. One is unfunded, but he has four and four.

Mr. Myers said he has three Building Inspectors, one position is unfunded. There are four positions, there are only three of them filled. The same as last year.

Commissioner Nelson said go down to Permit Specialists where he has eight and five. If they take those eight and look at 2007, eight into \$121,000, that would give them less than \$15,000 per year.

Mr. Myers said but those eight Permit Specialists, there were only five funded last year. The positions existed, but they were not all funded.

Commissioner Nelson said they were programming eight for \$121,000, then they have five for \$125,000. Eight would give him \$15,000 a year, the five gives him \$25,000 a year.

Mr. Myers said again, three of those positions last year were not funded. The positions existed, but three of the positions were not funded, there was no money for those positions.

Commissioner Becht said let him give it try. The Permit Specialists, the information they are given says there were eight authorized positions for 2007. What Mr. Meyers is telling him is that although eight were authorized, only five were funded and five were funded at a budget of \$121,000. The proposed for 2008 is five positions and he is going to fund all of them at \$125,000. That is what he is trying to tell him.

Commissioner Alexander asked in all this they have gone through, has Commissioner Nelson found any discrepancy that changed the future or changed with the past they have gone through?

Commissioner Nelson said they changed a few. Once they adopt this, they are going to have some problems with it. Code Enforcement, Page 27, the justification there for the FICA differential there?

City Manager Beach said Staff does not compute that, that is a Finance issue.

Commissioner Nelson said Page 28, they have a fairly healthy increase there in the Senior Community Response Officer from \$34,000 to \$50,000.

Ms. Peggy Arraiz, Code Compliance Manager, said that was due to staffing changes. Bob Dusanek had moved into that position, where before that was filled with someone else, so the salary was adjusted to match the new staffing in that position. The person that held that position prior to Bob Dusanek had received the salary that was budgeted for 2007. When Bob Dusanek was moved into that position, his salary was adjusted to match that salary rate that the position now holds.

Commissioner Nelson said he does not want to get into personal names and such. But she says that the individual went from \$34,000 to \$50,000?

Ms. Arraiz said no.

Mr. Recor said the individual making \$34,000 separated employment with the organization. They moved an existing employee at his existing wage into that position. This budget reflects the existing employee and his existing wage.

Commissioner Nelson said it is a really healthy increase when they get that kind of raise. He is not going to argue that point.

Mr. Recor said it was not an increase, it was his existing wage.

Commissioner Nelson said okay. He is ready to talk about the Police Department. First of all, let him assure the Chief that they appreciate his services and commend him for the efforts that he is taking relative to addressing some of their police needs of their City. He still has some problems with some of the areas they are having, but seeing that he is on top of them. The need for how they pay their police is an issue with him. What resources they expend to keep their police force and where their people live with respect to doing their duties concerns him. Take resources, for example. The amounts of money that people that the Police Department, Public Works, and Solid Waste spend for gas and fuel in general. Does he have a full handle on that, how much it costs for those things?

Chief Baldwin asked for fuel? They are spending a little bit more

than \$300,000 a year for fuel at the Police Department.

Commissioner Coke asked is that the same figure they had a couple of weeks ago when they went over this budget?

Chief Baldwin said the figure that is in the budget is the exact same, \$334,000.

Commissioner Nelson asked can they reduce that cost by having people live in the City, not taking vehicles home?

Mayor Benton said he thought they had that discussion and the Chief was going to come back with some information.

Chief Baldwin said they did. He is working on a proposal now to offset that cost for officers that live outside the City. The answer is yes, but it is not going to be \$100,000 or \$200,000. They are talking about a couple of thousand dollars a month maybe.

Commissioner Coke asked didn't the Chief say it would take 30 to 60 days when they talked about that a couple of weeks ago at this meeting and come back with a proposal on that?

Chief Baldwin said that is correct.

Commissioner Nelson said the Police Department budget has always confused him and he could not get through it to save his life. He does not have any more questions. But he just wants the Chief to know that he is not supportive at this time of his enhanced policing effort. And of course it is primarily because he feels that there should be some effort on the part of the Chief collaborating with the Sheriff's Department who has a responsibility to do some of the policing within their City because they are members of the County.

And he is convinced that a more collaborative effort will in fact solve some of their problems. And apparently the bad elements are going downward trend, which is probably attributed to the Chief's efforts. But he feels basically they can restructure their forces somewhat, redeploy their forces, have visibility, and more of their people who are assigned to various areas of the City, live in the city. So he does not back off on that, because he feels that if they are going to be governing the City and enforcing laws of the City, they should be here to feel the pain of the people involved.

With that, he will stop to discussing his area.

Commissioner Becht said he is trying to take a more general overview of the budget. If three of them want to see a cut in it, then they are going to see a cut in it, and they are going to perhaps tell staff to cut it by 5% and leave these areas alone. But on the enhanced policing idea the Chief came forward with, he wants to start with an assumption here. If this Commission today can come to some kind of consensus that they agree on a balanced budget, he is at that point going to know based on the balanced budget what number of Police Officers he has, Community Aide personnel, etc. Once the Chief knows what the general budget provides for, if he wants to come back - and he would ask him to come back - to the FPRA and say he wants additional enhanced policing in the FPRA area, he is going to be receptive to that. He has said it a couple times, a couple of different ways, but he is just not sure if he is communicating what his position is on this, and they talked privately after the last meeting. If it is truly an enhanced program that targets the unique problems that they have in the FPRA area, he is going to support that. If it is merely a bookkeeping entry where they are paying

for the same policing that they did the year before in order to balance the budget, he is not for that. Hopefully today, they get a balanced budget, and they know what the balanced budget provides for. And if the Chief says he can do better if he has additional money for an enhanced program, he thinks he is probably going to have five votes that support an enhanced program.

Chief Baldwin said there has been no misunderstanding between them on that. He has gotten the message loud and clear. He has talked with all of them, heard their comments here and some of them individually. They will see him in the next couple of FPRA meetings before them with a proposal.

Commissioner Alexander said he has been in support of the Chief's efforts in the past and will continue to do so. Everything is okay with him, but he has to take this with him. He lives in this community, he sees so much police activities. And the only thing he does not see and the lack of is minority supervision. Now if they have so many so-called bad kids and elements in this community, everyone is not going to respond to the same officers. If he does not have some supervision type of African American or Latino when they have to go into certain areas. He means every time an officer walks in there, they can tell him whether he is just a rookie or whether he has just been on there for six months because they do not see no insignia, no stripes, or no bars. He is saying that is a nice thing because he knows they do have qualified people. He just happened to ask one of the Lieutenants, how does he become a Lieutenant? He had to be a Sergeant for two years. How did he become a Sergeant? He had to be a Patrolman for two years. How long to become a Captain? Two years of being a Lieutenant. They have one (African American) Captain; and he was to go away today or tomorrow for whatever reason, then it would take them six years for them to get another Captain in place. He does not know what the philosophy is. He just thinks that the crime that goes on out there. The Chief is a minority too when he goes out into that community in the midst and among the little gang rappers, the hard core ones that he sits down and meets with, they have the most upmost respect for him. He does not know if he earned that or they see all his supervision capabilities. No one else he has to answer to. He is just saying that to him for a better community, better communication. The young people giving a thumb or a finger versus some type... It is the same way with the Sheriff's Department, there is no kind of supervision on that road as minorities. He is not saying just African American, he is speaking of minority females, he is speaking of minority Latino's, the Haitian community, he is just speaking of minority; and the lack of that is kind of like having him a little concerned when he hears some things go on and how they do. He does not complain to him. He got a memo from Mr. Beach saying Commissioner Alexander complained about this. Now if Commissioner Alexander complains, he will know it. That kind of response, they better look into it because Commissioner Alexander said something, no. Not just because, that is not fair to him. Because if he said nothing to him, then they all have a problem.

Chief Baldwin said diversity is extremely valuable in their agency. He thinks they have seen great improvements over the last ten years and he is committed to continuing that success that they have had and hopefully even improving upon that as they move along. In terms of their supervisors, he thinks they are paying for the sins of the past. He is talking about in the past in terms of 20 or 30 years ago. They have not developed or put a lot of emphasis into developing the diversity in their supervisory ranks and command staff. Because

like he said, it takes time for that to develop. They have specific plans on how they can correct that. It is going to take a little bit of time because these people do need to be exposed to certain experiences and education before they are qualified to be supervisors. But it is something that they work on absolutely every day. Commissioner Alexander's concern is a valid concern and it is being addressed.

Mayor Benton said he knows there was some discussion about the Sheriff's Department, Commissioner Nelson had said maybe looking for a little bit more help from the Sheriff. He can remember when the Sheriff some twelve or thirteen years ago did very little in the City of Fort Pierce. This Sheriff, starting with their request to help them out in the last several years, not only with Weed and Seed but year around, the Sheriff's Department has really helped in partnering with the City of Fort Pierce Police Department to make Fort Pierce a safer place throughout the City. So everyone knows, if they call 911 and they ask for a policeman or a deputy, they will respond in the City limits. He knows they had a lawsuit years ago and the people in the unincorporated areas of the County do pay a little bit more for the Sheriff than they do, but the Sheriff does work in the City. For instance, when it comes to the School Resources Officers, the Sheriff provided them in the City of Fort Pierce for their schools, where in Port St. Lucie the City of Port St. Lucie provided those this year to the tune of over \$1 million. So the Sheriff has helped them out a lot and they do thank him, but he has a very tough budget this year too.

Chief Baldwin said there is no doubt in his mind that Sheriff Mascara has proven that he is dedicated to assisting the City of Fort Pierce and himself specifically in providing law enforcement services. Every year he continues to be impressed that the Sheriff is able, although he is facing the same financial difficulty that they are, he is able to muster more and more support for their operations. He will give them a great example of that. Over the summer they did summertime enforcement operations, where they put between seven and fifteen additional officers on the streets of Fort Pierce every single evening and night through the summer. That resulted in some 1,400 arrests over the summer. But more importantly, if they look at their crime statistics for June and July 2007 compared to June and July 2006, they saw a 23% reduction in crime. Commissioner Alexander spoke about the success that they had this summer. He believes it is largely because of that, but also because of what else is going on in the community - the Lincoln Park Summer Camp program, the churches have all stepped up and actually started engaging these kids and giving them positive activities. What he is saying is, he does not know how much more he can get out of Sheriff Mascara, to be honest. He has a meeting with him next week, he is going to try to get a little bit more, they are going to try to work on a violent crime task force. The Sheriff has never said no to him, he can tell them that. He appreciates his support; and it is not just the Sheriff, it is his entire staff, he has obviously sent the message that they are committed to working with them.

Commissioner Nelson said if they want to pat Sheriff Mascara on the back, he guesses he better pat him too, because he was out in his neighborhood this week taking care of a gang problem they had out there. Back to the budget and comments made by Commissioner Alexander relative to hiring. The Chief has a slot in his budget for Assistant Chief. Is that on track? When is he going to fill that position?

Chief Baldwin said actually just in the last couple of weeks he and Mr. Beach were able to work through that issue. They will be advertising for the position starting next week. They are going to advertise internally, they have some candidates that are certainly qualified internally. Across the state is where they are going to focus their advertising. But they are also advertising through some national organizations like the International Association of Chiefs of Police and NOBLE (National Organization of Black Law Enforcement Executives). There is an organization for Woman in law Enforcement Executives. They will be advertising with all of those firms over the next couple of weeks. He is actively pursuing it, he is going to take the opportunity. Mr. Beach has granted him permission to fill that position, he is going to fill it before he changes his mind.

Commissioner Nelson said Chief Baldwin came up through the ranks and he was put in as Deputy Chief and Acting Chief and then finally Chief. But he noticed in his actions since he has been Chief that when he leaves, he has an array of people who in fact serve as acting in his stead as Chief. What is his policy relative to having someone be designated as Acting Chief in his absence? Is it seniority, is it color of his hair, shoe size, or what?

Chief Baldwin said he rotates that assignment throughout the four captains that he has. He does that because he thinks all of them are qualified in their positions and he has confidence in what they are doing. It is also a good experience for them. They get to deal with some of the issues that he has to deal with and he thinks it is good for them as far as growing. Ultimately he would like to have the Deputy Chief's position filled so they can have some consistency in who is in charge when he is not around. That is obviously the reason for that position. But there is no specific criteria. There may be something going on while he is gone that one of the captains is better suited to take on, but generally he rotates it among the four Captains.

Commissioner Nelson asked his police enhancing program, he has specific officers in mind for this particular position and why?

Chief Baldwin said he probably should not say that he does because that is subject...

Commissioner Nelson said he does not have to name names.

Chief Baldwin said it is subject to change depending on the circumstances and what level and where they are at and how that is funded. Yes, he does; and he has somebody in mind because they are truly the best qualified for that particular position.

Commissioner Nelson said Public Works. He pointed out earlier that gas and oil was a problem with him; and he feels like Public Works, Solid Waste, and the Police Department are the greater consumption of gas and oil. Do they have any program to minimize the amounts of gas and oil they use? Lets take Page 42, the \$500. He is sure he has other equipment and what can he do to handle that situation to decrease the cost?

Mr. Bob Hood, Director of Public Works, said the increased expenditures for gasoline that they all experienced in their personal lives as well as their business lives. Last year he thinks they increased the budgeted amount by 25% in all of their divisions. They have five funded divisions in Public Works, so they have five different budgets they work with. This year they increased it by

another 10%. It is throwing darts, he wishes he was an expert at it; and if he was, he would be making a fortune on the commodities market, he is sure. The usage they monitor all the time, but it is difficult in the business they do. They cover an ever expanding city. Geographically it is growing every time they annex an area, so it takes them more gasoline to get the vehicles to a particular point. They do monitor what individual crews are doing, they try to eliminate or lessen the amount of driving that they do. They look at it all the time, yes.

Commissioner Becht said he knows there was a talk at a County level and he thought former Chief Sizemore had talked about a tank farm, where Port St. Lucie - if they can get them to play with them - and the County and the Fire District and all the governmental agencies would get together because they all consume gas, and create a tank farm in the western part of the County where they would purchase the fuel. Mr. Hood mentioned commodities and buying it at the right time. But at least they would have a stockpile out there and perhaps a hurricane-resistant tank farm is what he heard it referred to. Any movement on that? Is it a good idea or a bad idea?

Mr. Hood said any time they can purchase when the price is at a certain price point, a low one, and they can buy in a greater volume. Right now their little fuel depot on Savannah Road at Public Works fuels all the City departments, and also it fuels the Community Transit and the Housing Authority vehicles and others.

Commissioner Becht asked is he buying it at tanker load price?

Mr. Hood said they buy a tanker load at a time. They have a diesel tank and a gasoline tank, and they both hold approximately 10,000 gallons useable.

Commissioner Becht asked does he see any benefit to a tanker farm?

Mr. Hood said yes, he does; and they have been in contact with those other entities too, because he thinks it is something they are going to go to at some point in time. He thinks they are going to be looking at E85 fuel in the future and some other innovative products too.

Commissioner Becht said he and Commissioner Alexander might be able to help him over at the Fire District if they show any resistance to trying to create this tank farm. And all of them can talk to County Commissioners if he sees any resistance there.

Commissioner Nelson said the reason he is trying to get somewhere in this cost for various commodities is the fact that he is concerned about the salaries they are paying some of their people. In particular, Mr. Hood has a lot of low paid people there. In one case he cited somebody in one department making \$15,000 a year and that is fairly low. He is not sure what the average salary of his people is down there. But when he looks at salary of some of his mechanics and compares that with the private sector when he takes his car to get an oil change, he is not sure that Public Works and Solid Waste people are being paid as high as the other people. What is Mr. Hood doing to increase the salaries of his people? And does he feel that they are basically able to live off the wages which they in fact are getting for the work they do?

Mr. Hood said he is biased. He thinks their people do an extraordinary job for the amount of money they make for the City. He thinks they are getting a real bargain. It is difficult to retain

employees, it is difficult to attract employees to the City of Fort Pierce. When the building boom was going on, they were going to the same labor pool as everybody else, and it was a difficult situation. The bargaining unit, the Teamsters Union Local 769, negotiates with management of the City of Fort Pierce for the actual compensation packages they receive. They have had two pay studies, Palmer & Cay and Robert Miles had both done a study. It is supply dependent market. When they go out to hire a mechanic or some other technician that has some skills and certifications, it is sometimes slim pickings.

Commissioner Nelson asked is his people unionized?

Mr. Hood said all of their employees are covered by the bargaining unit. Whether they belong to the union or not, that is up to them.

Commissioner Nelson said he is not going to dwell on that too much. His philosophy about unions is that if management is doing their job, they would not have to have unions. But they have them, so they might as well live with them. On Page 47 (Parks & Grounds), he has two more people there, from 27 to 29.

Mr. Hood said they are not additional employees. Those are two Irrigation Technicians. Several years ago, they moved that component to Facilities Maintenance to do some things. He will not get into all the details on that. It did not seem to work out. So they moved them back this year to Parks & Grounds. They pay the irrigation utility expense, the water expense, plus they are responsible for how the landscaping looks. They lowered the number of approved and funded positions in Facilities Maintenance by two, increased it in Parks & Grounds. Overall, they have not increased. Ten years ago they had 91 employees. This year they are funding 83 employees.

Commissioner Nelson said they are talking budget now. He went from \$790,000 to \$900,000 and that represents those two people or what?

Mr. Hood said and the raises that have been approved too were factored in.

Commissioner Coke said she does not want to drag this out, she knows everybody up here is busy and needs to get back to other things in life, so she does not want to cover a lot of what they have already covered. She just wants to ask him one question. Can Mr. Hood tell her, does he believe he has enough personnel with the proposed budget to continue giving them the great service that he does?

Mr. Hood said he appreciates the kind thoughts about the extraordinary service. And they do try. To answer her question very succinctly, he believes if they are funded this year the budget they proposed, they will be fine.

Mayor Benton said next is Engineering Department, then Administrative.

Commissioner Nelson said he has no questions of the Engineering Department.

Commissioner Becht asked on Administrative, can someone tell him where the line item entry is for the cost of televising the meetings that they are televising?

Mr. Bergalis said no.

Commissioner Becht said he had asked Mr. Beach this in one of their meetings.

City Manager Beach said Commissioner Becht did and he was remiss. He actually had several questions that he has not received answers to, but he will; and that is one of them.

Commissioner Becht said the reason he is asking is, it is a deal with the County under an Interlocal Agreement and he just wanted to know where they had folded it into the budget. His recollection is it is over \$100,000, which was a significant... And he did not know if they had lined itemed it out. If they had line itemed it out, he had not been able to find it; so if he can let him know that maybe after lunch or maybe next week.

Commissioner Coke asked is he having second thoughts about the television after today?

Commissioner Becht said he is not having second thoughts on that. It actually reduces the phone calls and he thinks the public buys in that they are actually a part of the system with televising.

Mayor Benton said especially after that substantial investment. Now that they have it, it is here to stay.

(Mayor Benton called a recess for lunch at 12:35 p.m. and then reconvened the meeting at 1:00 p.m.)

Commissioner Nelson said his concerns on the Fort Pierce Redevelopment Agency lead off with overall revenues representing some \$11.8 million. The miscellaneous revenues, he sees them looking at leases of \$225,000. Can Mr. Ward break out for him those particular miscellaneous revenues and to what extent are they covering the various leases, i.e., the two Tiki bars in particular?

Mr. Jon Ward, Director of Fort Pierce Redevelopment Agency, said he can break it out very simply for him. The \$225,000 listed under their detail summary of revenues represents lease payments on the Cobb's Landing Restaurant and also from their new marina at Fisherman's Wharf. The easiest way to look at that is they are getting on average about \$11,000 a month from the Cobb's Landing Restaurant and they have been seeing \$7,000 or \$8,000 a month from the new Fisherman's Wharf marina. That is their average, it will average about \$225,000 next year. Seasonally the amount will be up both in the restaurant and the marina, they will be fuller at some times than others. He just took an average number and averaged it out, and that is where their \$225,000 will come from.

Commissioner Nelson said Cobb's Landing. They have two Tiki's down there.

Mr. Ward said no, the FPRA does not own the Tiki Bar. That is owned by the City and that amount goes in the General Fund. Cobb's Landing is owned by the FPRA and that amount goes in the FPRA fund. He does not have any numbers on the other restaurant.

Commissioner Nelson asked any other particular high profile leases they have like Little Jim or...

Mr. Ward said again, those are in the City's General Fund. Those

are not owned by the FPRA.

Commissioner Nelson asked the only ones FPRA has is...

Mr. Ward said Cobb's Landing and the new marina at Fisherman's Wharf.

Commissioner Nelson said Worker's Compensation, Line Item 2040, it doubled from \$9,000 to \$17,000. What is going on there?

Mr. Ward said he has no idea. That is prepared by the Finance Department. He does not prepare these Personal Services numbers. All he gives them is raw data on wages and then the Finance Department computes the balance - FICA and overtime and all those sorts of things.

Commissioner Nelson said the Administrative Charges, \$600,000 last year and this year. He understands last year they were taking some of the Community Services people?

Mr. Ward said last year they took Community Service personnel, some from Planning Department, they took some responsibilities for some of the Building Department's budget, and for the Administrative as well. So they took a percentage from a number of funds. All of those things have been returned to the General Fund.

Commissioner Nelson said Mr. Ward says returned; but last year it was \$600,000, this year it is \$600,000. What did he return?

Mr. Ward said all of the line items. If they will notice under the personnel schedule in last years budget there were twelve positions at \$609,000 and they will note this year there are eight at \$369,000.

Commissioner Becht said the \$600,000 is an administrative charge, it is the same. It was that way almost two years ago. The employees shifting is not in the \$600,000 figure Commissioner Nelson is looking at, it is in a different section.

Commissioner Nelson said what he is looking at here is the \$600,000 in this section.

Commissioner Becht said that is the Administrative charge. That remains constant, for the last two or three budgets actually.

Commissioner Nelson said it was \$600,000 last year and now it is \$600,000 again.

Commissioner Becht said but the employees, that is reflected somewhere else.

Commissioner Nelson said Aid to Private Organizations - \$335,000 to Weed and Seed, \$750,000 to Sunrise Theatre...

Mayor Benton said for Weed and Seed, that was the surveillance cameras through the Police Department that Commissioner Nelson wanted, that is where that line item ended up.

Mr. Ward said understand in this particular instance, because FPRA is not part of the General Fund, under their resources page they will notice that he has their carry-forward noted on this budget itself. They will see prior year carry forward on that first page of \$2.5 million. That is him looking forward to the end of the year and assuming that he is going to have about \$2.5 million of TIF funding which does not go back to the General Fund, which will be carried

forward. What they have done then is they had to reflect where does that \$2.5 million appear inside this budget on a line by line basis.

This year they had he thinks \$325,000 for the Weed and Seed program. That is not quite the right number. But anyway, there is \$80,000 that they give them for their operations and then there was an additional request by the Chief of Police of \$250,000 for a camera program. They did not in this year's budget institute that camera program, they did not purchase it; so he has taken that \$250,000 and carried it forward from last year into next year. So that is where that appears.

Commissioner Nelson said he recalls the Commission pointed out some time ago that they wanted to address those cameras and they had embarked on a program to do just that. Where did they get the decision to not do it for this year?

Mr. Ward said FPRA funded the program this year. For a whole variety of reasons, they have had some staff changes... He cannot address the operational reasons for the Police Department not instituting that, but he has made these resources available to them. In the spirit of good faith, knowing that this Commission supported that program, they have carried it forward for next year so the Police Department can avail themselves to these resources. Commissioner Nelson said he will turn to the City Manager. They said they wanted to do something with those cameras and he thinks those are proving to be a great value in law enforcement in curtailing crime throughout the nation. Why aren't they doing this?

City Manager Beach said his understanding is it is the intention of the Police Department to implement that program. They would need the Chief here to describe what the status of that program is. What he would suggest is that they come back to this subject when the Chief returns and he can describe the status of that project.

Mr. Ward said from a budgetary standpoint, the point of interest is the Commissioners have shown a commitment to this program and FPRA has dedicated those resources to support that program and those are still available. From an operational standpoint, the Chief will decide at what point he wants to implement it and he will have the money to pay for it.

Commissioner Nelson said he is glad to hear that. The Chief is just coming in. The question is the status of the camera program to be used to curtail crime in their area, which might eliminate the need for the Chief to have his enhancing effort.

Chief Baldwin said he does not know it will eliminate the need to do some more policing. The issue for them over the last couple of months has simply been staffing - somebody to manage the project, do the RFP, collect all the things, and go through this. They brought a grant writer on board that is going to be working with them over the next couple of weeks and that is her first priority is to get the RFP out. They will bring that back to them at an FPRA meeting when they evaluate the bids. This will be working over the next couple of months. He actually checked with Mr. Ward a few weeks ago to make sure the funding was still available.

Commissioner Nelson said Mr. Ward just assured them that it is still available. He thinks it is the will of this Commission to go ahead and proceed with that program for its potential worth.

Chief Baldwin said they will progress to that, they will initiate

the RFP process within about three weeks.

Commissioner Nelson said he is going a little further now on the Tiki Lease. He is talking about \$180,000 for the other Tiki now as opposed to Cobb's Landing. Which one is that? That is the one down by the Marina.

Mr. Ward said he does not have any responsibility for the Tiki Bar & Restaurant.

Commissioner Nelson said he looks at that, they have one that is FPRA responsibility, the other is the City. Both of them are down in the Marina area. There must be some rationale for having them separate for accountability purposes.

City Manager Beach said the reason for them being separate is, it was the Redevelopment Agency that bought Cobb's Landing, so the resources generated by Cobb's Landing would naturally go into the Redevelopment Agency's deposits. The other one is a General Fund issue and is dealt with separately. It is an accounting function, it does not create operational issues at all. It is simply how they account for those receipts.

Mayor Benton said he knows that they own that Cobb's Landing building.

He knows why they own it. They had some concerns about the property just around it because of any type of expansion of the Marina or anything done there, they wanted the ability to have that property.

But he is just wondering as far as the restaurant building is concerned, if there are three Commissioners that would be interested in putting that on the market and put it back on the tax roll? Cobb's Landing.

Commissioner Coke said her understanding from what Mr. Furst (St. Lucie County Property Appraiser) said, those businesses pay taxes just as if they were privately owned.

Mayor Benton said they do, but the building would pay taxes. He thinks they pay taxes on what is inside. But if they are looking for additional funding for a parking garage and everything that they are trying to do. What did they pay for that, \$2 million or something like that?

Mr. Ward said \$2.3 million or \$2.2 million.

Commissioner Coke said if he is looking for a survey, she is not going to support getting rid of waterfront property.

Mayor Benton said if they desperately needed that building, that is one thing. But if...

Mr. Ward said part of the reason for that purchase was not from a cash flow standpoint, because he is not sure that they justify a \$2 million expense for an \$11,000 a month payment, he does not know if that cash flows. But at the end of the day, it gives the City control over what is developed around the Marina and making sure - as the will of the Commissioners has been - they keep open space and availability to the waterfront for the public. They have seen in other recent developments where people have wanted to come in and buy every square inch of the waterfront and then put up private developments that would not give their constituents access to the waterfront. And in doing this, they will recall at the time they were about to develop the Marina Square project across the street

which was taking that entire block, that parking lot, and creating a five story high condo hotel. That was going to eliminate all of that open space. They did this as a protective measure for the future. It is still valid, if that is still the will of this board.

Mayor Benton said he remembers why they did it. But knowing everything has changed since they did it and they are looking for funding somewhere else to finish some of these projects they already started, he was just throwing it out on the table. Commissioner Becht said take it off the table. He does not want to talk about selling that piece of property. It is indispensable to the Marina operation.

Commissioner Nelson said he concurs with that. And since they are paying taxes as they lease it to other people, he does not see a need for them to do that.

Commissioner Becht said if they sold it for \$2 million or \$2.2 million they would have that money, that is correct. But the revenue stream, they are getting \$11,000 a month. He has talked to the operator. It is the same operator, both the Tiki and Cobb's Landing. At Cobb's Landing, they think they will eventually get up to the level of the Tiki. The Tiki he thinks is \$15,000 a month, he thinks it is \$180,000 a year. And he can assure them that they are not going to get - even at his figure of \$11,000, that is like \$130,000 a year - they are not going to get real estate taxes to the City of \$130,000 a year. They would get the \$2 million, but they would not get the \$130,000 a year in perpetuity as long as they own it. So in light of its entanglement with current and future operations at the Marina, the open space arguments, and general economic principles, he is not interested in selling it now or ever. But he will not be here forever.

Mayor Benton said he has heard from three. He has another one he wants to bring up. He will just throw out the Old Post Office (500 Orange Avenue). The County has told them they could not fund administration of the Post Office Museum, whenever they planned on doing it. That could be a perfect attorney office when the Federal Courthouse is done. He does not see that the City has the staffing abilities or the ability to make improvements to it. Could they put it on the market and see what they can get for it? He does not know what the appraisal is. But it would take three people to authorize that, just to take the next step and look at it.

Mr. Ward said he does not know if they want any input from staff on that, but he would hate to see them make long term decisions under short term conditions. He will tell them that the Post Office building is on the National Register of Historic Places, it is an architecturally significant building. He does not want to sit here during a budget discussion and try to make a case for historic preservation, he thinks they have gone on record of supporting that. And the easiest way for him to illustrate that to everybody is...

Commissioner Becht said they are in budget discussions, he would like a Staff report on that at their next... Does the FPRA own that or the City?

Mr. Ward said the City owns it.

Commissioner Becht said he still would like Mr. Ward's input on it, because it is going to need FPRA funding he thinks if they are going to continue to own it. But he would like a staff report on the pros

and cons of trying to sell it.

Mayor Benton said he was mistaken, he thought it was the FPRA. Also he knows a lot of privately owned properties that are on the Historic Register around town and some of them maintain those better than the City does. He knows they can put conditions on it. If there are three people that are interested in that.

Commissioner Becht said all he is looking for is a staff report. He is not saying he is thumbs up or thumbs down.

Mayor Benton said they have to start somewhere. A staff report is a good place to start.

Mayor Benton said next is the Marina.

Commissioner Becht said he thinks several of them may have talked to Mr. Kubitschek about the rates. He sent the City Manager two rate studies that he had received from competing marina operators who thought... And obviously there is a bias to them sending him their rate studies. He does not know if Mr. Kubitschek got a copy of the rate studies. But the question he puts to him, does he think he is fairly competitively established with his rates? Does he want to raise them a little bit? He is in an interesting position with his rates. This is a public marina and he does not want to be the most expensive marina on the Treasure Coast, and they are asking him to run it competitively, but publicly; and then there is the issue of keeping a couple of slips open so they can have public access to the marina. There are probably three or four questions in there, but he is going to let him start talking now.

Mr. Dean Kubitschek, Marina Manager, said they are under the market, doing his evaluation of the rate structure. It just depends on where they want to take it - a public marina versus other marina rates in the local area. That really has to be a Staff or Commission decision on what direction they would like to head with this facility.

City Manager Beach said he and Mr. Kubitschek had talked about this within the last month or so, and it was related to inquiries that were submitted by Commissioner Becht. His recall of their discussion was, based on the analysis of that rate structure and also an analysis of the revenue generated by the Marina and the expenses it took to manage that marina, that he could justify increasing the rates.

Mr. Kubitschek said that is correct.

City Manager Beach said he also thought at the same time, as he recalls, the way the rate structure is set at the Marina, he proposes a policy that outlines those rates, that policy is then circulated to the Commission and posted publicly by the City Clerk's office, and that is how the rates are established. He thought that was the direction they were going based on their discussion. Is he mistaken about that?

Mr. Kubitschek said after their discussions he was waiting essentially for a memo back from Mr. Beach saying to move forward or something. If Mr. Beach directs him to go ahead and move forward with something in writing, he would be more than happy to go ahead and make that adjustment.

City Manager Beach said that was his intent. He will see that he gets that.

Commissioner Becht said depending on how high he goes. He personally does not want to be the most expensive on the Treasure Coast. But if they are too far underneath the competing marinas, then they are using taxpayer dollars to support a public marina in competition with one that is privately owned. What kind of numbers does he think that may generate over the next twelve months in terms of additional revenue?

Mr. Kubitschek said in the documents he had presented to Mr. Beach, he is estimating they could approximately raise \$84,000 additional a year. The rate structure he is proposing will bring them just slightly underneath the other marinas. But they have the ability to increase their revenues depending upon... Again, there is a lot of things that drive this rate structure and how much they are going to make each and every year. It depends on volume of traffic through the facility. But if he uses his current numbers of this past year, with changes they would make it would be estimated they would raise approximately another \$85,000 a year.

Commissioner Nelson said gas and oil, \$750,000. That is projected revenue from that?

Mr. Kubitschek said they are looking at those numbers for costs for \$750,000 for fuel. Price of fuel has gone up and it fluctuates. In ten months of this year, he has spent \$827,000 in fuel. That is their cost. They do make revenues on top of that. That is as of his July financial report at the end of July. What he would recommend, if Commissioner Nelson wants to look at the variables, is to go ahead and get a copy of that and he will see. But those numbers just dictate whatever that price of fuel is. If it is \$2.00 a gallon, the number is going to be lower; or if it is \$3.00 a gallon, it is going to be much higher.

Commissioner Nelson said he spent that much, \$800,000 and something in ten months, and he is projecting \$750,000 for the whole year. So they have to make some adjustments.

Mr. Kubitschek said yes, and he has worked it out through the Finance Department, that is correct.

Commissioner Alexander asked didn't he have a capital improvement down there with the tanks and all that?

Mr. Kubitschek said yes. They are right now this week, as of Monday, they have started several capital improvement projects. One is the dredging of the internal basin in Moore's Creek, that is a 90 day project. The next project is the fuel tanks, fuel tank removal and replacement, that is required by Florida State law. That had to be done by 2009. That is going on at this time. That is also a 90 day project. And about the middle of October, they are going to get into seawall replacement. That is a FEMA project, that is a six month project. So there is going to be a lot of construction going on around this facility. They are trying to push the contracts along to get this done as quick as possible.

Commissioner Nelson said he would like to take this moment to inject the fact that they always talk in terms of what staff is doing and all that. He does not usually give out praise and all this stuff.

But he looks at Mr. Kubitschek's operation down there from afar and it just seems to him that he is doing a tremendous job down there which he appreciates very much and he thinks the Commission in general

does. These things about the cost of fuel and all the variables that he cannot control and all that, he just is waiting to see the time when they have that Marina back to where it used to be with the little islands and things out there.

Mr. Kubitschek said just to give them an update on that project. That project has gone into permitting as well. They are just waiting for the first response back from Department of Environmental Protection. They have 30 day time period to respond back to what they have sent in. The Florida Fish & Wildlife Commission, there is no response time back, as well as the Corps of Engineers. They are just going to wait and see what kind of response they get. If it seems like they are going to get a long term response, they will ask if Commissioners and Mayor to try and get involved a little bit on an upper level. They have just submitted their first request on this permitting issue, so it is going through the process as they speak. He does not do this job by himself, he has a good staff. Without a good staff, he would not be able to do what he does. He is very fortunate to have the City's support - the Commissioners and Mayor. That is the truth, he has always been able to work with them. It is a business and they have allowed him to operate it, as well as City Manager Dennis Beach has worked real well with him. It has been a win/win situation and he thinks that is part of the reason why the Marina is such a success.

Commissioner Coke said let them know the estimated cost of rebuilding their Marina, as well as the time frame and the funding mechanism they are looking to proceed with that.

Mr. Kubitschek said total estimated Marina projects are going to be around \$24 million when it is all said and done. The estimated time date of completion of the project, and he has asked their consultants to try and update it, they are looking at September 2009 as a time period. To have the islands put in, the docks put back, they are looking at around September 2009 at this time period. Obviously the variable again with that time period is going to be the permit process, so there are some variables in there.

Commissioner Coke asked do they have the \$24 million?

Mr. Kubitschek said they do not. This is also a FEMA project, they have been so far good partners. He has Ed Seissiger in Engineering Department and Christa Razem who has been working along with TetraTech. They have been working along with FEMA. Actually they just got back from FEMA. If they recall, at the last Commission meeting they approved further seagrass studies and geotube textile study for \$124,000. They went up there to try and secure some funding for that. They came back and seemed very comfortable that FEMA is going to work with them on those monies. This entire project that they are dealing with at this time, it is not just him, there is other people in the City also working on this project and they are pushing hard. He basically thinks they have a real good team working on this project. He did leave the island project and floating dock project out of his budget. It is too big of a number, he did not want to confuse his budget with that. When they are ready to start building, he will come back to the Commission as an unfunded project and they are going to talk about funding. He has talked to George Bergalis about how to fund it because they are going to have to have cash flow. When FEMA approves the EA (Environmental Assessment), because they are going to do one on them as well, which they are working on at this time, and the project does get approved by FEMA and they seem to continue to move forward here, then they will go

ahead and talk to Mr. Bergalis in the Finance Department about how they are going to go ahead and handle the monies involved. Commissioner Coke said they have one set of players sitting here today that have made a commitment to rebuild that Marina. She thinks it is a great public asset. Her concern is if they start borrowing from Peter to pay Paul, they are going to take money from the Marina this year... Who knows who is going to be sitting in any of these chairs in two or three years from now and if they are going to make the proper commitment to the project as they have. And she does not want to see them move along which they have done in the past and spend a half a million dollars getting ready to do a project and then have to throw it in the wastepaper basket because somebody has changed their mind or they do not have the future funding for it. So the bottom line is, what kind of commitment do they have in place for this funding? Do they take out a bond to rebuild this? Is it going to be FEMA funded? If they take this money from the Marina fund this year, that is going to be more money that they will end up having to budget for later on in life.

Mr. Bergalis said what is being proposed by the City Manager, the funds from the Marina would be those which are related to repayment for lost revenues because of the storm. The actual insurance monies that were received due to property damage down there remains intact in Mr. Kubitschek's marina.

Commissioner Coke asked how much is that?

Mr. Bergalis said it is probably around \$5 million plus.

Commissioner Coke said they are still \$19 million short.

Mr. Bergalis said then they have the \$1.3 million from the lost revenues. So they are talking about in excess of \$6 million that the Marina has. If the \$1.3 million were to be removed, it would still leave around \$5 million. FEMA's proposal, as far as he knows, is that once this project is approved and the permit is in place and they are ready to move forward, FEMA will provide their money after the insurance money is expended. As he told Mr. Kubitschek when they talked previously, at that point in time they would have to decide, dependant upon how fast FEMA is going to be paying the Marina for what they have committed, that there may need to be some short term financing done at that time by the Marina; and Mr. Kubitschek certainly has the track record and resources there to do that.

Commissioner Coke asked can he tell her how much FEMA has committed to this project?

Mr. Kubitschek said about two or three weeks ago they might have received a Marina project status report and that will show... He has to apologize, the \$24 million is a total of projects including the islands, the docks, the fuel tanks, the dredging, just a large number of projects that are taking place. When they get back to the rebuilding of the facility, their commitment with FEMA is when they go back and build the floating docks, the first \$6.5 million is going to be the Marina's responsibility. Anything on top of that will be FEMA's. But they are responsible for 5% of all these projects. So he believes they are estimating that they will need to come up with probably another \$1.2 million to \$1.75 million on top of that.

Commissioner Coke asked on top of the \$6.5 million?

Mr. Kubitschek said that is correct, because that is the 5% differential that they are going to have to come up with.

Commissioner Coke said in all actuality, if they do not touch this money he has now, the \$6 million, out of \$6.5 million plus \$1.2 million, so he is already in the hole of what he is going to need to complete his projects. That is their share of it.

Mr. Kubitschek said he just recently checked their financial status what he has in the bank account. It is roughly around \$7 million at this time.

Commissioner Coke said so they are talking about they need \$6.5 million and another \$1.7 million on top of that, that gives them \$8.2 million that he is going to need. He has \$7 million. So for the projects that they need to make a commitment to, they are still going to start out in the hole. What she guesses she is relating to is if they take another \$1 million away from him, they are going to be further in the hole.

Mr. Kubitschek said that is a possibility they will be in the hole; but as they go along here, they will go ahead and try for some grants to recover some of this, because they are going to need money also for plantings on the islands and other mitigation issues.

Commissioner Coke said which is going to put them further in the hole.

Mr. Kubitschek said there is going to be a financial commitment that they are going to need.

Mr. Bergalis said just to further clarify what Mr. Kubitschek is telling them and what he tried to tell them is that even with the FEMA commitment, whatever that number is going to be, based upon their history with FEMA after the storms in 2004, in order for them to get the money to pay for what they had to do, they had to go out and do a short term financing with SunTrust, a line of credit; and once the FEMA monies came in, then they repaid it. He thinks they probably might be looking at something here too. Because FEMA probably is not going to be fronting the money and FEMA is not going to be prompt in their payment based on past practice. So he thinks short term financing is probably going to be in order. But that is not going to be a problem as far as he sees.

Commissioner Coke said she understands that. But what she is saying is, if they are going to need to pay interest, it would behoove them to pay interest if possible on \$14 million rather than \$15 million.

Mr. Bergalis said he cannot argue that.

Commissioner Becht said he obviously appreciates what Mr. Kubitschek does over there at the Marina and he thinks highly of him because he recognized the staff that works underneath him. He has applications in with the Army Corps of Engineers. And Mr. Margotta and Mr. Recor have new friends at the Army Corps of Engineers. He does not know if it is the same department, but if they can assist him and let the left hand know what the right hand is doing. And Bob Hood may need his help with DEP because he does not think he has any friends with DEP right now and he needs them; but that is for the beach and he does not know if that is the same branch of the DEP. But if they all make sure they communicate with one another

about who they are dealing with, there may be some benefit in sharing their contact people inside those state and federal agencies.

Mr. Kubitschek said just for further information, they have had two pre-application meetings with all the organizations, so they are very familiar with this project, they know it is coming to them. This is not just something new that they gave them last week. Probably about eight or nine months ago, right after the hurricanes, they had a meeting. And probably as little as about a month and a half ago, they had another meeting with the agencies. So they understood what they are trying to achieve.

Commissioner Alexander said he just wanted to reiterate what he spoke about in the beginning about transferring funds away from that Marina when they are trying to rebuild it. If they had another alternative. Again, that is just his opinion about it, leave Mr. Kubitschek's monies where they are. That is not the first time they went in that fund, is it? They went a couple years ago, didn't they?

City Manager Beach said he believes several years ago they took money from the Marina because they were making the Marina repay the General Fund for some debt service that the General Fund had carried for years before the Marina started becoming profitable. Is that accurate? It was a few hundred thousand, he believes.

Mr. Bergalis said they have done both. The Marina still pays, they transfer money to the General Fund for his share of some past debt service; but a couple years ago they also took advantage of Mr. Kubitschek's well-run operation down there and removed some of his excess money from him to help them out.

Mayor Benton asked didn't they use some of that money for the Golf Course at one point?

City Manager Beach said he believes that is correct.

Mr. Kubitschek said it actually went to Marina Square Park and the Golf Course.

Commissioner Alexander said he just wants him to maintain and be successful. FEMA may have their ducks in a row, but they may not be looking at them.

Commissioner Nelson asked the \$1.6 million they have earmarked for the hurricane improvements, they are covered in that from FEMA or who are they getting that money from?

Mr. Kubitschek said that is a FEMA project. It is \$1.654 million. FEMA has approved half of that money. Christa Razem has gone back to FEMA to reapply for the difference. Because when originally FEMA came out and evaluated the cost of that project, they had left out some engineering issues. Their consultant TetraTech, as well as Ms. Razem, has gone back to FEMA and has requested the difference in the cost.

Commissioner Nelson asked is he optimistic it is going to be approved?

Mr. Kubitschek said as far as he hears, everything is good, he has not heard anything bad so far.

Commissioner Nelson said he is getting a thumbs up from Ms. Razem out in the audience, so that is good.

Mr. Kubitschek said one more bit of good news. They found out about a month ago they are going to go ahead and host the FLW National Champion November 2008. FLW is associated with Wal-Mart. They wanted to do their National Championship here in Fort Pierce.

Commissioner Becht asked what is FLW?

Mayor Benton said Florida Wal-Mart fishing series.

Mr. Kubitschek said it is an international championship. They are out fishing for Kingfish. They had hosted the SKA.

Commissioner Becht said he knew the SKA was the Southern Kingfish, he did not know what the FLW was.

Mr. Kubitschek said FLW has done the same thing as SKA.

Mayor Benton said with a lot more money.

Mr. Kubitschek said they see these boats labeled with various products now. They have made it a tour as well, just like they do the Bass Pro Tour and everything else.

Mayor Benton said he thinks the SKA might be back in 2009.

Mr. Kubitschek said that would be good news.

Commissioner Coke asked is he going to bring that tournament to the TDC (Tourist Development Council) for some funding?

Mr. Kubitschek said yes, they will be bringing it for funding.

Mayor Benton said thanks to Mr. Kubitschek for the job he does, he does an excellent job down there.

Mr. Kubitschek said it is not just him.

Mayor Benton said next they have Solid Waste. Any questions of Mr. Hopkins? He runs such an efficient department down there, there is probably not going to be any questions. He does an excellent job running that department. Keeping Fort Pierce clean is not easy sometimes.

Commissioner Coke asked what is he going to do if they take \$1 million from his fund and use it to subsidize the General Fund?

Mr. Harold Hopkins, Solid Waste Director, said it all depends on financing he supposes. They budgeted three trucks, which is the norm. They have thirty trucks and they try to roll them out on a ten year cycle, they like to do that. If per chance the big picture is such that money is needed elsewhere, then he would forfeit the right to buy those trucks this year, even though it would put them behind the curve.

Commissioner Coke asked with this \$1 million transfer that is proposed, is he still going to get his three new trucks?

Mr. Hopkins said he is not really sure if that is still in his budget or not.

Commissioner Coke said she thinks that is a very important question to be answered prior to considering doing a \$1 million transfer.

Can Mr. Bergalis tell her if this \$1 million transfer includes the proposed vehicles?

Mr. Bergalis said when Mr. Hopkins posed this to him, he reminded him that one of the Commissioners up there - he thinks it is Commissioner Nelson - has for a long time questioned is Mr. Hopkins getting all the mileage out of these vehicles that he should or perhaps maybe he can extend their useful life. He told Mr. Hopkins in case that he is not able to buy trucks on the on-going basis that he had in the past, he is sure through proper maintenance he will be able to keep them operational and the City will continue to be cleaned up.

Commissioner Coke said she means this in the kindest way, but she does believe Mr. Bergalis has been hanging around Mr. Beach too much. Her question was, with the \$1 million transfer, would that proposal include allowing Mr. Hopkins to buy his new trucks this year? It is a simple yes or no.

Mr. Bergalis said it may impose some difficulty on him.

Commissioner Coke said so that is a no.

Mayor Benton said he thinks he saw one of his trucks being worked on Avenue A and 2nd Street on his way here today, the guys were underneath it. It was one of the grapple trucks, he guesses.

Mr. Hopkins said they don't last forever. And putting paint on them don't make them run any better.

Commissioner Coke said those trucks have been downtown working since 4:30 this morning. She is not quite sure what they are doing, but they were pulling up at 4:30 this morning getting into some project.

Mr. Hopkins said they do six days a week and holidays.

City Manager Beach said the budget that he is looking at has the \$1 million transfer in it, it also has \$800,000 worth of equipment replacement. That is all in the budget.

Commissioner Becht said it also has \$532,000 worth of depreciation.

City Manager Beach said which is a paper figure. He thinks the answer is, at least his looking at the budget as presented, it appears that his vehicles are in here.

Commissioner Coke said that is how it appeared to her also. But she always likes to have the Finance Director confirm these things, because he tends to be in charge of the purse strings. And it dismays her that he thinks that the ability to purchase these vehicles may be affected by this \$1 million transfer. It may or may not be.

City Manager Beach said it clearly is going to make it tighter.

Commissioner Coke said she does not object to tighter, she just thinks tighter needs to be across the board.

Commissioner Nelson said he would just like to commend the efforts of Mr. Hopkins and his crew down there. He does concern himself with the salaries that his people are getting and the types of work they do. He notes with great pleasure the fact that Mr. Hopkins appears to be conscious about his maintenance program there, wherein

he is going out now and he painted some vehicles. It looks better, makes the people take care of them better, and be surprised when they wash the grease off and everything and find out that all they have to do is tighten a bolt the fact that the vehicle runs better for a longer period of time. Each of those big dumpster type vehicles costs about \$185,000 apiece. It is not pocket change as far as he is concerned. He commend Mr. Hopkins for the effort that he is doing down there. And if Mr. Hopkins can afford to make this transfer of \$1 million, he can support it. But he does question whether or not when they raised the fee by 15% this year or last year, whenever it was, that they raised this money and this money is being considered as surplus now. He had a round with the City Attorney and the City Manager relative to the legality of this. But looking back in retrospect, they have done this in the past. And since it will go so far as to help balance the budget for this year, he is going to support it in the long run as opposed to not supporting the enhancement thing for the police. Again, thanks for the job that he does.

Mayor Benton said next they have the Indian Hills Golf Course.

Commissioner Becht asked in the Personnel Schedule, she has a Starter position as unfunded. He defers to her completely on running the golf course, he does not know how to run a golf course. But someone had told him that out at the PGA - and this may not be apples to apples - but at the PGA, someone had suggested to him that their Starters are volunteers, but they get free rounds of golf or something like that. He does not know if she is doing that or if it is possible to do it at Indian Hills.

Ms. Mary Beth Birsky, Golf Course Director, said they have been operating, since when the City took over, they have not funded the Starter positions at all. She employed a volunteer program when she came four years ago and that is how they operate to save the City money.

Commissioner Becht said he thought had to give his little ticket to a Starter.

Commissioner Nelson asked could she tell him what a Starter is?

Ms. Birsky said once customers are checked in inside and pay their money, the Starter checks their receipts, have them sign for the golf carts, and then sets them on the tee at the time that they are supposed to tee off. They set intervals of seven and eight minute tee times. So it helps it run smoothly.

Commissioner Nelson said Personal Services, from \$255,000 to \$828,000, a tremendous increase.

Ms. Birsky said that is a mistake that she discovered yesterday when she pulled up the funding. The number really should be \$764,993. She does not know who puts the numbers in, but she is not allowed in that section of the...

Commissioner Nelson said still that is a \$500,000 increase.

Ms. Birsky said no, from \$698,000 the year before.

Mr. Bergalis said if they look under Salaries and Wages, they were not all volunteer workers in the Golf Course last year. Obviously it must be a scrivener's error, there is a number that did not come in there.

Commissioner Coke said she thinks the problem is they are showing zero for salaries and wages for 2007.

Ms. Birsky said when corrected, that would be about the appropriate figure, \$700,000 something.

Commissioner Nelson said they need to make those corrections. Because he said before, this is a living document that he has to hang his hat on. They can all beat him across the head and say he approved it. Please make that correction.

Ms. Birsky said one other note she would like to make, just so they will be on the same page, this Golf Course has been a fluctuating project for the four and half years. She does have 31 positions, she is still only funded for 22 of them. They have been making do. But she knows there has been a lot of talk about the Executive Assistants, however she did lose her Executive Assistant in April and she has survived the remainder of this year, but that should be a funded position. It says it is in there, but the dollar amount is zero. It is really \$31,780.

Commissioner Nelson asked she is asking for a funded Executive Assistant?

Ms. Birsky said yes. She has no other assistants at the moment.

Commissioner Nelson said he does not know anything about running a golf course, but he does recognize the work she is doing down there. And he envisions the task that she has ahead of her for restoring that golf course to its full potential. He is amenable to that, if two other Commissioners and the City Manager want to go along with that.

Ms. Birsky said it has always been funded. It was just Kadie Chapman left when the budget was due in May when they submitted it.

City Manager Beach said it will be added.

Commissioner Nelson said they will be talking about another \$32,000 he can save some place else. The liquor license, what is the status of that down there, i.e., they still own and operate that liquor license down there?

Ms. Birsky said yes.

Commissioner Nelson said he thought they were going to sell that.

City Manager Beach said no, that was the other liquor license they got from Cobb's Landing (f/k/a ManaTiki Restaurant) that he believes they are marketing. They have not had any bites on it, but it is up for sale.

Commissioner Becht asked the number of rounds of golf, what is she targeting for this year; and is she aiming for essentially the same thing next year?

Ms. Birsky said as of the middle of August, their current round situation is they are up to 47,000 rounds a year - that means golfers and customers. And they are targeting she thinks up around 50,000 for this next year.

Commissioner Becht asked her fee structure, who sets that?

Ms. Birsky said she sets it with Mr. Beach. Because they are a public golf course, they stay right around the same fees as Fairwinds, which is a County course.

Commissioner Becht asked she is seeing an upturn in the number rounds of golf, right?

Ms. Birsky said they are doing much better than it was ever anticipated for this early on as a golf facility, yes.

Commissioner Becht said that is what he thought. Some of the magazines that he reads indicate that nationwide the number of rounds of golf are decreasing.

Ms. Birsky said they are doing extremely well in a very competitive market right now, especially without a clubhouse and working out of a trailer for three years. She guesses now is not the right time to ask for a clubhouse. Her staff has worked tremendously hard to make it work for the City and make people proud.

Commissioner Becht said he wanted to bring that out because he is not sure if everybody up here understood the market for the rounds of golf has decreased in the same time period she is increasing the number of rounds of golf. So he thanks her for what she does.

Commissioner Nelson said he never gets a chance to go down to the golf course nor the marina, so they are doing extremely well down there. But he noted with pleasure the fact that there is a potential of her making a profit for next year - \$2.3 million versus \$2.4 million?

Ms. Birsky said in their first year of operation, they were projected to lose almost \$400,000, and she believes they lost just under \$100,000. Right now they are up \$142,000 as of the July statement.

Mayor Benton said keep up the good work. He knows those hurricanes really hurt them. But he does not think everybody or at least the critics...

Ms. Birsky said she will state that they are losing a tremendous amount of potential income to all the tournaments at Gator Trace that the City is still being asked to give free rounds of golf to so they can have their tournaments there. They have lost about 28 tournaments, which are huge funds. It is like the City Marina having fishing tournaments, that is what brings people in and makes money. With no clubhouse, it is tough to do.

Mayor Benton said they need a clubhouse. He has people calling him regularly saying they would love to have a tournament there, but they need a clubhouse. Hopefully that is something they can move on.

Ms. Birsky said just for the community - weddings, high school graduations - there is not just enough facilities in her opinion in the City, and they could do a really nice job with that.

City Manager Beach said they will try to sell that idea later.

Commissioner Nelson asked is there any assistance she might require or need from the Commission to help her get that clubhouse and other stuff going?

Ms. Birsky said about \$4 million.

Commissioner Nelson said there are certain contacts they can make out there to help her get things moving along. Anybody dragging their feet anywhere in this area?

City Manager Beach said they will bringing a proposal to the Commission on how to accomplish that. He does not know where they are in the design. It is actually going through Planning Department right now, isn't it?

Ms. Birsky said she doesn't know. They did submit...

City Manager Beach said anyway, they have completed the design on the building and it should be moving through. And once that process is through, they will be bringing a proposal to the Commission on how to accomplish this.

Commissioner Alexander said she is doing an excellent job and he does not have any complaints. But as far as advertising, is that through the News Tribune?

Ms. Birsky said they use the Hometown News, they use Scripps, and there are a lot of different golf publications that they get out. They are also in the enjoyment book, the entertainment books. Especially in the summer locals come and play discount golf all summer.

Commissioner Alexander said they do have their own cable. Does she utilize that cable?

Ms. Birsky said she does not have the funding dollars for that. But Anne Satterlee has been very good. They have included the Golf Course on an advertisement within the City.

Commissioner Alexander said he sees a bad debt expense, \$500. What could that be? It is at the bottom of the page in Operating Expense, Page 15?

Ms. Birsky said bad debt, that money is incurred a lot of times if a customer comes through and a credit card does not get processed or a bad check they cannot collect on.

Commissioner Alexander said this thing about the checks, they are allowed to get three times that amount, right? When it comes down to bad checks, they are allowed to recover three times, whenever a check is written to them as a bad debt, right? This is an insignificant number. He just thought he would ask.

Ms. Birsky said she does know they have changed their check policy. They do not allow any out of state checks or anything like that even during the tourist season.

Mayor Benton said next is Sunrise Theatre.

Commissioner Becht said he sees Mr. Ward has brought his sidekick with him.

Mr. Ward said for the television audience, this is John Wilkes who is the managing director of the theatre.

Commissioner Becht asked with the buildup that they got on his credentials, he was expecting him to announce that he had the Beatle's unification tour starting at the Sunrise already.

Mr. John Wilkes, Managing Director of the Sunrise Theatre, said they have the second best thing - 1964, The Tribute - on September 29th. The box office is open.

Commissioner Becht asked has he had a chance to go through this budget?

Mr. Wilkes said yes, he has.

Commissioner Becht said the thought occurred to him that the revenues received from the events and the expenditures attendant with putting the events on has got to be highly speculative, because they do not know how many people are going to show up and all that. Is he comfortable with these numbers?

Mr. Wilkes said as a generalization, yes. He is comfortable for a number of reasons. In reviewing the budget with Mr. Ward, there are a number of accounts that, understanding that the City did take over the theatre back a year ago June, a number of line items were...

Commissioner Becht said he has moved a lot of things around.

Mr. Wilkes said it needs to be refined. Basically putting items, both expense and revenue, into the proper accounts. His experience in Sarasota was similar in that there were a good number of things that were in accounts that in the end had to be transferred during this fiscal year. They will not be seeing nearly that much of that in this coming fiscal year.

Mr. Ward said the budget they see before them was put together with Mr. Wilkes and Mr. Loesser's input. He was trying to float a budget out that obviously the professionals could not support, so he had them do the first pass on the budget, and then he went back through and massaged it a little bit. But certainly they are more than intimate with it.

Commissioner Becht said the transfer that he is looking for from the FPR is projected at \$750,000. Is that front-end loaded, back-end loaded? How does he see that coming across? The context of the question is that this last year they got hit in what he is going to call the early part of the season, in January or February they got hit real quick. The expectation is that later in the season the monies would come back in. And he is not sure if that did or did not happen. How is he expecting this transfer to occur, on a monthly basis?

Mr. Ward said on an as-needed basis. Part of it is a function of how the season works. They are going to see a large number of shows that will start in September and October and on through their season.

So as they need those, they will have to be doing the outlay of the funds required to pay for those performers. So it will be more front-loaded, he thinks they will spend more in the first six months than they will in the back six months. He thinks it is an unrealistic to think, and he does not know why it was even entertained last year, that the funds would be coming in at the end of the year. Because as they have seen, the season tails off in the summertime, there is no production, ergo no money coming in. It never made sense.

Commissioner Becht said a lot of things did not make sense.

Mr. Ward said that is why Mr. Wilkes is sitting in this chair and the former director is not.

Commissioner Becht said he appreciates what he brings to the table and he is looking forward to a successful season this year.

Mr. Wilkes said thank you. At the same time, he would like to say to the Mayor and Commissioners and the Finance Director and a number of other folks, in terms of how this budget is looked upon, and all he can really speak to is his experience working within a municipal government that owns and operates a performing arts hall. Two things. One, call it a sponsorship or a subsidy, the issue of when that comes into play. His experience has been, i.e. the City of Sarasota, that sponsorship money that was allocated by the city commission as part of the operation would be there and would be transferred at the end of the fiscal year based on what was needed.

Typically in the twelve year experience, in many cases he did not need any dollars from the city based on earned income upwards of 93%, actually 100% back in the late 1980's. But that certainly has changed, the issue of that allocation usually was brought forward at the end of the fiscal year, if it was needed. There is no question that some of it is going to be needed this year. And in looking at that number of \$750,000, there is a dramatic positive variance to the budget that they will see at the end of this fiscal year. So they are actually walking into the challenge of dramatically decreasing the budget from this year to what they are projecting for next year. The other thing about a performing arts hall's budget or even he supposes a golf course or whatever that enterprise account might be, in their case it is an elastic budget from the standpoint that they have x-number of things that they do. Just take performances, if they are budgeting for 40 or 50 performances, whatever that number might be, that is added to as an example if they do another 15 or 20 performances. All the expenses commensurate will go up, but hopefully that plus at least a dollar will go up commensurately on the income side. So these numbers can change based on the activity level that this business experiences. That is really the two points he would like to make.

Commissioner Becht said just so the TV audience understands, the budget still dependent upon both memberships, which he has at \$25,000, and donation and pledges of \$90,000. And the public needs to understand that this is a community theater and it does need community support, both in coming to the events and financial support.

Mr. Wilkes said now more than ever. He thinks the fact is that this community is extremely proud of the Sunrise Theatre. They have begun some changes and the public will notice an awful lot more changes in the operations, from how they operate as a business to the openness that the administration is going to be showing the people of the region, the benefits of why they should not only become members. But also why they are going to see a different diversity and programming and a whole way of different operating the Sunrise Theatre from a marketing standpoint, from programming offerings standpoint, to the need for fundraising, in all the other areas in development.

That really means unearned income which goes to supporting not only their budget, but planning for a future beyond this fiscal year in terms of planning on the development side, whether it is for endowments, plan giving, so they can get involved in things like education programs which are beginning this year for the first time.

Just as a heads up, they will be printing a brochure, which has never been done before. They will be handing out a little playbill starting in November. So the patrons that are coming in through

the doors will get a booklet to tell them what the performance is, what upcoming performances are, and what the Sunrise Theatre as a business is all about.

Commissioner Coke asked does he have a website?

Mr. Wilkes said they certainly do: www.sunrisetheatre.com.

Commissioner Coke asked the phone number there?

Mr. Wilkes said 772-461-4884. They can learn about memberships and they can also learn about the box office. And of course which is interesting to know, and he thinks that this is something that he was very surprised about when he came, is that a good number of their sales, more than most theaters that he knows, has an extremely high percentage of sales on the internet.

Commissioner Coke said that is www.sunrisetheatre.com.

Mr. Wilkes said he saw a couple of Commission meetings ago the Jazz Society do this. Maybe he should come on a regular basis to promote all the events they are having at the Sunrise Theatre.

Commissioner Alexander said when he first met Mr. Wilkes, it was over in Sarasota. Something that he took away from that meeting was how enthusiastic he was about the community children. He just remembers him standing in this big bay window looking out and talking about how that complete parking lot was full of buses where all the kids came in there to enjoy that. Was that what he was speaking about the sponsorship of being proactive? Is that something he is going to bring to this community, have that kind of attitude toward their kids in this community?

Mr. Wilkes said the answer is definitely yes. One of the things that he noticed coming in, even from a far when he was in Sarasota looking at the Sunrise operation, was that in terms of family programming for families but also children, they had really not initiated an education program in the first year and a half. They are starting out slowly with that. They have a couple of performances that will be public performances in the evening, and then followed by inviting school children in to performances of African Footprint and Peru Negro, two international attractions that he thinks will be well received by the students. One thing he must say though, the education program had been going on for years in Sarasota; and there was not only a different demographic and dynamic, in order to get to the bottom line, it had been open for years and had established a very fine business track record being an enterprise account of the City of Sarasota. One thing that they have to do slowly here is look at taking care of the operation in every way and very importantly from the fiscal standpoint. They have a great challenge of taking down last years budget to, they are talking probably around \$550,000 positive variance from last year. In order to get more into education outreach and those kinds of things - this is where the public really needs to understand how a theatre operates - they do need these kinds of donations, gifts, and grants, whether it is corporate or individual, in order to put them in a financial position where they can afford to not only expand an education program but also to look at an artistic discretionary fund or an amount of money where they know that they are not necessarily going to be meeting expenses with a particular attraction, but they can bring it into the community once, hoping that the following times that it comes it will actually turn what they will call a profit in the true sense.

That is how they are operating every show or every event, is a cost center unto itself. They cannot leap into that expecting to turn a budget around with programs unfortunately such as education and outreach are ones that do not make a profit in the real sense of earned income. This is where they need grants, gifts, donations to get involved with expanding programs such as education.

Mr. Ward said having said that, they have already started that program. They brought Mr. Wilkes on board at the end of June. And already this year they had the Missoula Traveling Theatre Company come in, he thinks they got 65 kids each time. 65 kids from the community come to put on a play, and these were 65 children each time. 130 to 140 kids that had never been in the theatre, they put on a play, they filled the house with their parents, and actually made money on the thing. It was so good, they had the company back a second time. They are certainly going to do that. Two of the presentations he thinks that are being proposed by the Jazz Society for the Fall have a kids educational component to them. So they are actively doing that much more than they ever had before and certainly they are supportive of that.

Commissioner Alexander said he is not going to talk about the year they have been in the Sunrise Theatre. So they can look forward to being proactive with this community and that is what he is looking for.

Mr. Ward said from day one, since they have taken over new management, they have started doing that programming.

Commissioner Nelson said Page 23, they have Consultant Fees of \$156,000. They are projecting ticket sales of \$1.75 million. Added on to that a charge of \$20,000 for ticket sales. The total charges for services, \$2.3 million for 2007 and \$1.9 million for 2008. Is that realistic? Are they having a decrease?

Mr. Wilkes said they are changing a lot of policies that will show again a positive variance to last years budget. They are aligning a number of things such as salaries on a part-time basis in terms of putting those at a lower rate. There is a number of issues, both on the expense and income side, that have changed from last year. As an example, they have instituted \$2.00 capital improvement fund surcharge on all tickets sold. And that is not just for Sunrise Theatre and City of Fort Pierce initiated events, that will be for all renter events. So any ticket over the value of \$10.00 will have a \$2.00 surcharge. And while they might not have done it in detail on this, as a group with Mr. Ward and himself and Mr. Loesser, they have basically set this up in the budget where there is a \$1.00 of that \$2.00 that goes to the operating budget and \$1.00 of that would go to a restricted capital account that he basically implemented in both Sarasota and in Toronto to take care of the capital needs without having to come to the Commission every time. That fund can build up over time. He knows when he left they had spent a lot of money on the building, but they still had \$1.5 million in that restricted capital account. So they are looking at a number of ways in terms of decreasing some of the expense items this year and looking at taking care of the ongoing needs of the physical plant itself.

Mr. Ward said to answer his question, it looks there is a reduction in some of the revenue figures. However he is here to tell them that they tried to bring them a budget that they can live with instead of something that is blue sky. It is not his intention to come back and see them in six months and ask them for money or tell them how

they failed in meeting some lofty goals. He has given them something that he thinks they can live with. They are going to need that \$750,000 from the FPRA transfer. He is not going to tell them that they need \$200,000 today and come back in two months and ask for \$200,000 more and three months later ask for \$200,000 more. He thinks they can live with the budget that is before them.

Commissioner Nelson said they propose to give the Sunrise Theatre \$750,000 for next year. They have approved that in a sense because he knows one time they had an extended approval out there, \$350,000 by the City Manager, they authorized that and they also modified that to say something to the effect that they will approve additional amounts in the future to keep that theatre afloat.

Mr. Ward said they will recall that he gave them an update about two months ago on a projected five year and ten year budget operating projected plan for this theatre and these numbers were reflected in that.

Commissioner Nelson said so they are basically on track for that projection. They have a liquor license down there, don't they? It is not giving them much money. What are they doing to make any? He spent \$17,000 on Liquor Expense. They are not making much money. They ought to do something with it.

Mr. Ward said part of what Mr. Wilkes was talking about in how they are changing doing business, they have been leasing that operation to a lessor, he is coming in and he serves their patrons and they get a small cut of that. They have been comparing that with other theatres and they are going to take that over as a profit center. They are going to operate that as an ongoing basis and think they can put \$50,000 or \$60,000 in the coffers themselves this year instead of essentially chump change they have been getting for the last year. They are going to take that over and run it like a business.

Mr. Wilkes said the other aspect of this is what the Sunrise Theatre needs is a different liquor license than what they are presently operating within. It is very inexpensive, it is a category of public venues such as a performing arts center. That is something they need to do soon. There is no reason in the world why they should not have been doing that before. But they will be operating this concession themselves in the future.

Commissioner Nelson said he has to leave the experts and the lawyers on that when they start playing around with a liquor license. He does not want no part of it because those people get them in a lot of trouble, a liquor license will.

Commissioner Becht said he is hoping that they are going to try and cultivate a volunteer program for the ushers and perhaps even for liquor sales. He does not know how that is handled in other facilities. Is that his intent?

Mr. Wilkes said they have already done that. On the 15th of September they will have their first orientation for their volunteer ushers. They have already over 60 people in the program.

Commissioner Becht said if someone out there in their TV audience wanted to volunteer...

Mr. Wilkes said they can do it either on-line at www.sunrisetheatre.com or by calling their office. Actually a

volunteer has come forward in the community, Sue Dannahower is coordinating that program.

Commissioner Becht asked what telephone number would someone interested in volunteering as either an usher or liquor sales or what else would the volunteers be involved in?

Mr. Wilkes said 461-4884. And if they listen to the prompts, it will get them right to their volunteer coordinator which is on the system.

Mr. Ward said as they go forward, they will be giving tours of the theatre and that sort of thing, in addition to this.

Commissioner Becht asked what would the volunteer be able to do?

Mr. Wilkes said this was the only theatre that he knew of when he came three months ago where they were paying ushers. They stopped that program.

Commissioner Becht said they will be ushers, ticket takers...

Mr. Wilkes said they will be greeters, tour guides, basically any aspect of the operation where it is a house service within.

Commissioner Becht asked they need volunteers?

Mr. Wilkes said absolutely. Again, he is very happy they have about 60 at this time, but he knows that number will probably triple by the time that everybody comes into the season.

Commissioner Nelson said some time ago they addressed the issue of donations and pledges, they had some outstanding pledges. How are they coming along in that arena right now in terms of pledges that were made and the amounts of monies that they receive? Last year he thinks they had a pledge of \$250,000, this year they are showing \$90,000. He does not know what they have outstanding.

Mr. Ward said they think that is a conservative Hail Mary number which they intend to vastly exceed. On September 6th they are going to have their first major fundraising event for previous supporters of the theatre and future supporters of the theatre at the Sunrise. They are going to have a major event there to thank them of course for their past support of the theatre. They are going to be introducing them to the donor wall, which is absolutely beautiful, he can't wait for everybody to see it. And they are also going to encourage their future support of the theatre. They are going back to the same folks who have been their patrons and friends up to this point and going at them again. So their efforts toward fundraising will be vastly improved this year.

Commissioner Nelson said when they addressed this donor pledge thing in the past, they have asked that they look into whether or not there is any hook they can use to ensure, enhance, promote, or prompt these pledgees to make their donations.

Mr. Ward said they have spoken to everyone that was on that list that had an outstanding pledge and those pledges are being met. Some of them were multiple year pledges meant to be made over three year or five year periods and those are ongoing. So they do not have anyone that they would consider to be in arrears at this point.

Commissioner Nelson said that is absolutely fantastic. He just wishes them well. That theatre is something that they have out there and they certainly want to succeed. And some of the projects that they have ongoing in the City should do much to enhance that effort.

He wants them all to continue to work with due diligence to try and make it as successful as they envisioned. The Commission takes considerable heat because of that. But at the same time, it is an entity within their City that with patience is going to be a vital asset more so than it is now. They are going to continue to have some heat over it. But hopefully it will pay off.

Mr. Ward said they were in the Yellow Tail Grill the other day, getting their cooperation on some fundraising plans that they envision for the future and they came along with them as partners in donating some dinners and some things like that at certain levels of memberships that they envisioned. Why doesn't he give them the remark that Bryan made when they asked were the evenings and the events at the theatre important to his business and what was his response to that?

Mr. Wilkes said he thinks his response right back was, when the Sunrise Theatre is open, it basically brings them more than 50% of their business.

Mr. Ward said that is one restaurant in downtown that is already telling them. And they can quantify what this actually means to the theatre operation itself on an internal basis. What is difficult to quantify is the spinoff ripple effect that this is creating as an economic engine. There is the Yellow Tail telling them that on the nights that they have presentations, they are doubling his business to the point where he is calling the theatre to make sure that they know what the schedule is so they can staff up for it and be ready and that sort of thing. Multiply that times other effects around the City. So it is already generating a positive. They have already spunoff \$2 million in ticket sales last year, so that is a \$2 million positive economic benefit for the City of Fort Pierce without anything else. He is sure it has at least triple that with the other retail businesses.

Commissioner Nelson said when they reach out there and give him feedback that he sold \$1.7 million in ticket sales, please ring his bell because he wants to know about that.

Mr. Wilkes said he must say too, to speak to his point about taking heat on the Sunrise, this is not unique to Fort Pierce. Any city that has a performing arts center or centers take similar heat especially if they might be owned and operated by a city. People will talk about elitism and they will talk about a number of things, that it is not for them. The fact is, there is more people that come to performing arts events than do sporting events, and he is talking about total attendance. He thinks a lot of people in the public do not realize that. This is not going to be an overnight thing that all of sudden there will be 150 nights sold out houses for artists. At the same time, the word patience is a good one. He thinks there is no question what the Sunrise will be to downtown and the region is going to be similar to whether it be the Lyric in Stuart or whether it is the Van Wezel in Sarasota. It already is a huge asset to the community in terms of quality of life and economic engine that Mr. Ward speaks of. It is going to be a lot more to that. And he looks forward to being their partner in making the Sunrise Theatre a great success. And anyone that could be in this viewing audience or any moment of any day where he is speaking

to anybody in this area about the Sunrise Theatre, they are asking for their help in making a successful as well.

Commissioner Nelson said he said in 2008, they are going to have \$1.7 million in ticket sales. Pin that up on the wall some place. When they reach it, jump up and shout, okay? He is going to hold him to it.

Mr. Wilkes said he is not only going to jump up and shout, he is going to make sure that those expenses are commensurate with that revenue.

Mayor Benton said thank you very much. So everyone knows, this theatre was never brought to the community or rebuilt to be a money maker, it is an asset to the community just like a library or a sports stadium. Its day is coming, they are all learning, it is a new process.

Mr. Wilkes said for all the events that cannot take place at the Golf Course because of not having a clubhouse, he will say the number again - 461-4884 - for any graduations, wedding receptions, anything they can do to bring the community into their hall.

Mayor Benton said they have the right people in charge now and the doors are open.

Commissioner Nelson said the Mayor has to take the lead now and find out what they are going to do. He has asked all his questions.

Mayor Benton said he believes the question in front of them is they have three options to balance a budget. He thinks that is what direction staff was looking for today. He guesses they can discuss the first one, which was adopt the General Fund budget as proposed using a one time revenue transfer from Solid Waste and Marina Enterprise funds. He thinks he has heard there is concerns from Commissioners about doing that. He would agree. He thinks they know his concerns. They have the other choice, which he likes, which is reject the proposal and direct staff to prepare a budget reflecting innovative policing strategies within the FPRA which will require reprioritizing projects funded by the FPRA and operational expenditures. He knows that will take some time and some public input, but that is an option. And they have option three, reject proposal and give specific guidance to staff on alternatives that may be supported by three Commissioners.

Commissioner Coke said she will jump here and maybe get the ball rolling and get home in time for dinner. She is looking at three options. The first option, taking money from Solid Waste and Marina transfer. She does not think it is a wise move to rob Peter to pay Paul. She thinks somehow, especially with the prospect of further cuts coming down the road, they need to find a way to do one of two things - either curtail their spending or increase their income. She would suggest to everyone here that staff is working hard, but they are not necessarily utilizing people in the right manner. She does not think that they are always working smart. She had someone talk to her the other day, a landlord who said he went to get his landlord license for his building and said he can't believe that they must have lines out the door, and this was last January. They said no, they have very few landlords get licenses for renting their properties. And there is money left on the table. Granted they all of 50 dogs and cats licensed in the City of Fort Pierce, but they do not send out a renewal notice that, she does not know how

much that would cost them to do, but they do not do that. They talked the other day about the Commission had set a policy about charging for employees dependant health care. And they are looking at if the policy was originally 50% and all the union negotiations say they just need to send them notification that they are going to increase the cost, and they have not sent that notification out in twelve years, which is in excess of \$329,000 a year they are spending they should not be spending. She knows she sounds like the bad guy here, but she will tell them that she has a real hard time not balancing the budget, because she lives within a budget. She has a real hard time taking money from the Marina and Solid Waste when they are not tightening their belts all the way around. She has a real hard time considering moving part of the Police Department funding out of the FPRA budget. She would have no problem if they left the police level the way it is and the Chief came in and say they need to put five more people on and they need the FPRA to fund it. That, she does not have a problem with. What she has a problem with is, they are going to play what shell is the little nut under? She is not willing to play that game. She is not happy with one, she is not happy with two, and she does not know where they are going to get a consensus on the three. But quite frankly she would like to see them trim some fat. She would like to see them examine clearly the expenditures they make as far as healthcare benefits and all kinds of other things that are negotiable items as well as other things that they spend here and see where they can save some money. She thinks if they could do that she might not be opposed to - if there was across the board belt tightening - transferring some funds from other places. And she would like to see the Chief bring a program that is over and above what they now have as a Police Department to the FPRA, but not to supplement the Police Department's current budget through the FPRA.

Mayor Benton said he does agree with one thing that she did bring up at the last union meeting, was the issue of the insurance. Some of the items there were minor, can bring in a little bit of money. But he thinks the insurance issue can save the City quite a bit of money. He thinks they are going to have to definitely move in that direction, especially with next years budget the way it is looking. It is something that they have to do and hopefully the will see some numbers very soon on that.

Commissioner Alexander said he also agree concerning the health insurance, he thought that was a consensus of the Commission. They had a deadline of September 1st, it would get out before that.

Commissioner Becht asked can Mr. Beach verify if that letter did or did not go out?

City Manager Beach said he is having difficulty recalling a specific decision to do that.

Commissioner Coke said it was an Out of the Sunshine meeting discussion that they needed to give the Unions notification prior to September 1st that there would be an increase for all employees regarding their dependant healthcare only.

City Manager Beach said the good news is that they still have time to do that.

Mayor Benton said he thinks it was the time frame also. He thinks it was not so much the September 1st, as their arbitrator there said they just had to give notice, if he recalls correctly.

City Manager Beach said he will determine whether or not that has occurred. And if it has not, he will see that it does.

Commissioner Alexander said it was one of those bodies that had to be notified. Also his concern is with the three options that they have today, he just can only repeat from what his heart carries; and that is, to make this community a better place. When he sees or hears visitors come into this community and telling him how better they are and how they are becoming to be even better, it makes him smile. He knows it is not an easy thing to do and it has been a difficult road. When the Chief brought the proposal in, he said this is a proven type of thing, nothing that they are trying to reinvent the wheel. But if this is something that they brought to other communities that have been able to get themselves out of these types of glut. He just heard today that Riveria Beach is doing a billion dollar economic development right there in Palm Beach. That is Riveria Beach and they are nowhere from them. Again, he just wants to say his support is going to go with the Chief doing what he said he could do with this community, so they can have a better communication with their people in the community and with the people downtown and their children coming on board to be many Commissioners and that is a great thing. He thinks they just need to do it and everyone can be together. That is where his support is going, the second option, is with the police.

Mayor Benton said there are two other Commissioners he has not heard from yet.

Commissioner Nelson said he is pleased that they were able to ask the questions that they asked. They are, in his opinion, in a better position to make a more informed decision as to what they should do. He thinks staff has done a tremendous job of putting this thing together, even though they might of omitted some things and of course could have done some things better in a more timely fashion. As he indicated earlier, he is not supportive of the innovative policing thing that is being proposed at this juncture. He would that they come back with some other alternative; and even if that be the case, try to convince three of them that is the way to go even in the interim.

He firmly believes that they can do some of the policing out there from the current staffing that they have. He is sort of like Commissioner Coke there, it looks like a shell game in a sense to him, because they are taking police from one area and put them over here. It looks like a paper thing and he does not really like that.

Resources they have in their police in conjunction with the Sheriff or other law enforcement agencies should be able to accomplish those things they want. In addition, he is thinking very strongly that the policing effort can be greatly enhanced by the location of their people within the areas where the various crime activities take place, i.e. the City of Fort Pierce or thereabouts. In that absence, he has to address the need for specific guidance; and that guidance would be to try to find something somewhere in the overall budget, a means by which they can reduce to come to a more balanced budget.

And if it requires certain to be cut, they just have to cut them. Sometimes they have to cut off their arm to save a life. That is where he stands on that issue there.

Commissioner Alexander asked when he is speaking about things being cut, is he talking about jobs being cut?

Commissioner Nelson said he is talking about doing those things necessary to come up with a balanced budget.

Commissioner Alexander asked yes or no, is he speaking about jobs?

Commissioner Nelson said again, he is talking about doing those things which are needed to balance the budget. And if he has a litany of alternatives - one of which might be cutting jobs - yes, he will cut jobs. He will do a whole lot of things when it comes down to mission accomplishments. He is concerned about doing that thing which is the best thing for the City of Fort Pierce that is going to be the most cost-effective. They found some instances in their budget where there were some discrepancies. They can fix those. Those might have been small, but in the scheme of things, they might end up being large.

Commissioner Becht said he is uncomfortable with all three options; but they are going to have to make a decision and/or give direction to staff, so they need to build a consensus today. The benefit of number one is that they postpone the problem until next year. Number one would be using one time revenue transfers of roughly \$2.3 million from both the Marina fund and their Solid Waste fund. On January 1, 2008, there may be three new Commissioners up here. So they can postpone it until next year and leave it for others to solve. And he would be one of those that may not be here January 1st. He does not know if they have completely factored in additional sources of revenue. He hopes they have factored in all foreseeable expenses.

For instance, the health insurance that Commissioner Coke keeps talking about. If that is \$300,000 a year less in expenses... And it may be more than that for the reasons that they cited, some people may drop the dependant coverage completely if they have to pay 50% on it, so there may be more than that benefit from that one little thing. At the Marina, Mr. Kubitschek's innovations with a rate increase, that could be an additional maybe \$85,000. He does not know if they will see that in the first year. In the Fiscal Year 2008/2009, they are going to have close to another \$450,000, maybe \$500,000 additional revenues coming in from the aggressive annexation policy that they are going to hopefully get done before year end.

Those are things going forward. But the budget that they have right now does not factor in maybe \$329,000 worth of savings from health insurance, it does not factor in the \$85,000 with the Marina. Even if it did, they are still \$2 million short before they deal with the increase in employees wages which they are going to confront.

He would like to make certain Mr. Beach does send the letter out tomorrow, not just to the party that they are required by contract to give notice to, but to the other party as a courtesy so that they know they are going to get hit with this, not September 1st, but they are going to get hit with it.

City Manager Beach said if it has not gone out, it will go out.

Commissioner Becht said he just wants to make sure that it goes out to all employees, not just to the ones that they are obligated to by contract. He has stated so many times his philosophical problems with proposal number two that he does not think he needs to say it again. For the public's benefit, number two is to do the community policing idea. Number three, reject the proposal and give staff specific direction. The specific direction that he is inclined to give staff is to leave the Police Department budget alone, leave the Public Works budget alone, and find \$2.3 million in the rest of the City budget. That is a hard task to give him, but he is leaning that way.

Commissioner Coke said she would agree with that.

City Manager Beach said if he may, he needs to describe something to them. And he needs Mr. Bergalis to keep up with him on this, what he is going to try to describe. This is the second time he has heard this about reducing this budget and leaving the Public Works Department and the Police Department alone.

Commissioner Becht said that is half the budget.

City Manager Beach said no, it is not half of their budget, it is way over half of their budget. They have a \$41 million budget - \$8.5 million of that is Public Works and \$14.8 million of that is Police - that is \$22 million. George Bergalis has expenses that he pays out of the Administrative account that are fixed expenses.

They do not have the option of reducing them, cutting them, making them smaller. These are insurance costs, debt service payments, and obligations of this City. And when they add all of them up, just a minimal adding up, they would come up with about \$12 million in this budget that would be available to reduce \$2.3 million from, which is almost 20%. Staff can do that, but the Commissioners have got to live with the results of it. They are going to set up a situation that is going to severely hamper service delivery at some level in this building - whether it is Planning, whether it is Finance, pick one. They are going to be severely impacted by that reduction.

Again, they can do it, but all of them have to live with it.

Commissioner Coke said everybody here has heard her say it before, but she is going to say it again. Her concern is that the most important thing they do as a City government is not take care of each other, but take care of their citizens. Had this proposed budget that came back to them had any kind of cuts made in it, she might have been more included to say maybe they need take a little from Solid Waste or take a little from the Marina fund this year. But that is a quick bandaid. And she feels it would be irresponsible of her to put a bandaid on the damn when it is breaking. She thinks that they need to look more long term. She knows they do not like to hear it, but she does not understand why it took her to say - and she has been saying it for six years - what is going on with health care? And suddenly they find out that they never have increased the dependent health care in over twelve years. It is something that from some level of staff that should have been handled.

As all of their personnel costs are skyrocketing, at some point in time - not now when contracts are running out, but two or three years ago - they needed to say they are letting people accumulate 270 hours of sick pay, and instead of paying it every year at the rate that they are earn it at, they are paying it at their retirement year which could be three times what they earned it at. They have allowed these expenses to come and she does not think that they have...

And that is why she is here to try and say this is what she would like to see, lets use a little vision to see where they can make some dramatic policy changes that are going to enable them to go forward in the future.

City Manager Beach said the decision about how to distribute the dependent health care coverage was a conscious decision made by Commissions of the past again and again. They may or may not recall it, but it absolutely happened. It happened because they were in the midst of battling over wage and pay issues. And it was quite clear that a decision not to cover the additional coverage for dependants was a reduction in pay to their Police Officers, to their Public Works Department, and to everybody else that works for the City. And if they approach it this year and they go to the Unions

and they say they are going to put back on the table a redistribution of how they pay dependant coverage, they can present that any way they want to present it, but it is in fact a reduction in pay to employees of the City, that is how it will be perceived. His experience in this area tells him that just as soon as they recognize that, their phone will ring off the hook and they will be looking at other options.

Commissioner Coke said first of all, she is solely disappointed to hear the word if enter into this because she already believes it was the will of this Commission that it was when, not if. Number two, she can tell him that she believes that it is unfair of them to pick up 100% of health insurance coverage for an employee's family that has five members and there is an employee who is single and it is not costing them anything. In essence, what they have established is an unfair benefit ratio. They are giving more to some than they are to others. Number three, they have to just move forward in the marketplace and look. And if that is what they need to do to stay afloat... It is nice to be nice to all of their employees. She would love to pay everybody's health insurance, give everybody a raise. But at some juncture in time, they have 300 or 400 employees and 40,000 citizens, and they have an obligation to those 40,000 citizens.

Mayor Benton said they have talked about some things that can help cut these costs. But they are looking at \$2 million here and that is a lot of money. His opinion, looking at option number two and incorporating a little of option number three, they have the ability to at least move forward. They do not need that money October 1st, that \$2 million. They will need it as they go through the year. But to go into the Marina or Solid Waste funds, he just does not want to put Mr. Kubitschek or Mr. Hopkins in a position where they do not have money they need for something. Plus, they are all talking about the same people paying - the FPRA, the bills for Solid Waste - it is all the same people paying for this. And these people do expect government to provide so many services, which they are doing.

They have lowered the millage rate in the last three years. They have not had a lot of people in here complaining. But he thinks when it comes to police officers... And when he says Public Works, he also means those are the people that maintain their streets and their roads and what is underneath them. They need to continue that.

And the only way they can continue, the way he sees it, is to look at option two. Because it is not something that they can do tomorrow, they are going to have to do some paperwork and make some changes.

But when they look at the communities that have the same demographics Fort Pierce does - Delray Beach, Palm Beach - they have had to do this too. Knowing not what is coming from Tallahassee next year, they can expect more. They are going to be continually be cutting their budget. But some of these projects that they see in the FPRA that are budgeted, they have been budgeted for a long time and they have not become reality. He can see right here where they can probably get \$1.6 million on things they have budgeted that are still sitting there. The Betts Building for one, it is sitting there. As much as he wants to move forward, they have been talking about it for years. But right now they need money for police officers.

He thinks the public will agree that it is more important to be safe on the street than put up another fancy building, if it means putting it off for six months, eight months, a year, or two years for some of these or slow down on it. But he thinks they really need to set direction today, they cannot just say to staff to cut \$2 million by next Tuesday. Because if they do not have some type of direction set, this room is going to be full and people are going

to be telling them one way or the other how they want to go. He thinks they should make a decision.

Commissioner Becht said he is in more favor of leaning towards number one than number two, taking the money from Solid Waste. When they look at the Solid Waste budget, they do see \$800,000 worth of equipment purchases in that budget. They also have half a million dollars in appreciation in that budget. Mr. Hopkins can do what he needs to do to get by in the year with the \$1 million transfer out of that.

The transfer from the Marina is \$1.3 million. If they look at where it comes from, it comes from the loss of income from the Marina. Had that income been received by the Marina, the City would have gotten it anyway. So those things would have flown to them. The fact that the \$1.3 million is sitting there is going to help with the construction of marina improvements. But as it looks from a perspective of cash flow for the Marina improvements until the FEMA money comes in, they are going to have to figure out something creative anyway, either a line of credit until the FEMA money comes in or something like that. So he would much rather take the money out of the Marina and Solid Waste than continue down the path of funding general obligations of this City out of the FPRA. He just has a problem with that. Let's balance the budget. And if they want to come back and talk about enhanced policing, then that is great, let's talk about enhanced policing after they balance the budget.

Mayor Benton asked to compromise today, would they be willing to take maybe \$1 million between the Marina and Solid Waste and then look at this enhanced policing so they can take a little from each, and then maybe everybody can agree to it up here.

Commissioner Alexander said it is nothing personal, everyone is speaking their piece of mind, and he wants to have the opportunity to do the same. When it comes down to the FPRA, they have been spending millions and millions of dollars and they are going to continue to spend millions of dollars. The thing that is troubling him the most is that FPRA is supposed to be there for community redevelopment, for blight and slum. He does not see some of these buildings and stuff they are talking about buying now as being blighted or slum, they want to utilize it to bring developers into this community. But if they don't take care of the core of their problems... They all should be very proud that they have gone through this summer without no harm coming to their teenage kids. If it takes the Police Department and the Sheriff Department to double up the efforts they are doing, then give them that opportunity. The Chief has just come on, he has not had the opportunity to get his feet wet, he just jumped in the cesspool, so he has not had the chance to implement anything to find out whether he is on the right track. He does not see going down and messing with the Marina's money when they are trying to open in 2009, they are talking about 24 months. He does not see them messing with Mr. Hopkins money when he has to keep this Fort Pierce beautiful. They go down the street and as soon as someone sees this trash is blowing across the street, the first person they want to call is Mr. Hopkins and his crew. They are there early in the morning and sometimes late at night they hear these trucks going. He thinks staff has presented them something, now it is up to them to work through it. But again, when he sees the efforts, that they close their eyes just to one area of Fort Pierce, it is going to come back to haunt the entire City.

It is good, the people are feeling well about themselves, picking up trash down the streets, they are doing these things. And if they go and throw a nail in that, just do not act like they want to support, because it is still a bad element out there and there is still a

lot of fearful people that will not go to their mailbox because somebody might be walking in the area.

Commissioner Coke said she is just going to clarify that it is not that she does not want to support the police program. What she does not want to have happen is what is being suggested to them. What is being suggested to them is they are going to take the police budget and cut it so theoretically he would lose fourteen people; and then they are going to reinstate those exact same people and just redirect their efforts under the FPRA. What she wants to see happen is, leave their Police Department the way it is and add to that program from the FPRA. Because if the FPRA ever sunsets, then they are not going to have a funding mechanism for however many police officers they have moved over there. Her concern becomes, last year they budgeted \$250,000 for cameras because it was a great program and it never got instituted. The Police Department brought it to the Commissioners, it is not like they said to go research this program, go find out about it. She thought it was a done deal - if they funded it, it would be up and operational. Now it is a year later and it is not. She does not want to, number one, fund the police department from a source that may or may not be there 20 years from now. And number two, if they lower their level of service, they need to be increasing and not lowering it, she guesses is the point that she needs to make. They do not need to stay the same, they do not need to lower it, they need to be increasing it. As she said earlier, she can support taking some money from the Marina and some money from Solid Waste if there was an effort across the board. But she does not think it is fair to expect the Police Department to be seven people short, Public Works to be four people short, take money from the Marina, take money from Solid Waste, and everything else is status quo.

Mayor Benton said that is why he questions why the FPRA appears to be off limits, because when they created and expanded the boundaries for the CRA, it was like Commissioner Alexander said, to deal with blight. The biggest leading contributor to blight is crime. They have to think out of the box this year. They do not have a whole lot of choices right now the way he sees it. They have offered a couple compromises, they do have to come up with some type of solution.

Staff has cut their budgets since May quite a bit. They have a lot more to do. But they have to set some direction hopefully today, so they are not back at this on Tuesday night.

Commissioner Nelson said it appears that they are headed towards option number one and they can afford to have some level of compromise on that. The City Manager suggested some time ago a reduction in staff efforts by 20% and staff came back with what they have before them today. Why don't they adopt option one up to 80% of that required, taking 40% of what is requested from the Solid Waste and 40% from the Marina, and of course have him go into submittals made by the various departments to get the other 20%. That will cause everybody to share. Of course, they did find some areas where they could cut some things - some went up, some went down. See how that shakes out and bring it back to them as soon as possible so they can make a final decision on it. Does everybody see what he is saying?

Commissioner Becht said let him make sure he understands what he is saying. What he thought he heard him say was to take 20% off of the \$2.3 million. So that would be like \$460,000, right? It is \$1 million from Solid Waste and \$1.3 million from the Marina, so if they take 20% off of that, that is \$460,000. Then the \$460,000 then has to come out of the other areas of the budget.

Commissioner Nelson said if he wants to make it a different percentage for each entity, i.e. the Marina and the Solid Waste, to make it different.

Commissioner Becht said he does not have to talk to him because he is prepared to take... Based on these three options and the ability to build a consensus here today, he is going to tell them that he is willing to transfer the full \$2.3 million out of the Marina and out of the Solid Waste, or anything less than that depending on who else they can get to come along.

Commissioner Alexander asked is anyone going to lose their jobs?

Commissioner Becht said not that way.

Mayor Benton said no.

Commissioner Alexander said it is easily said, no. But he thought it was proposed that there was jobs going along with that?

Mayor Benton said not with Commissioner Becht's proposal as far as the Solid Waste and the Marina. Commissioner Nelson had some other things he was talking about and was still 20% short. He would compromise by taking a little bit from the two enterprise entities and asking the Chief to get creative with policing. To him, that is a compromise they could all live with, but it does not appear that way.

Commissioner Coke said Commissioner Nelson's compromise of taking a one time shot of 80% from the Marina and 80% from Solid Waste and have staff make up the additional money.

Commissioner Becht said staff has got to come up with roughly \$460,000 worth of savings out of the rest of the budget.

Commissioner Coke said they have found \$329,000 in employee dependent health care.

Commissioner Becht said he is hoping that is true. Are there any areas of the General Fund budget that they find sacrosanct, meaning they do not want to touch them?

Commissioner Coke said the Police Department and Public Works.

Commissioner Nelson said at least they can work at it; and if they work at it hard, they have a creative staff, they can do it.

Commissioner Becht asked does Mr. Recor or Mr. Beach care to respond to that before he weighs in?

Mr. Recor said he would like to respond to the rationale for determining how the departments are short. And if they are using Exhibit A, the current vacant positions, again he will remind them that the Building & Code Department currently has six vacant and unfunded positions in the department, the Police Department has seven, Public Works has four, there are two in Planning, and one in Engineering.

Commissioner Becht said they added one back to the Golf Course.

Mr. Recor said they are talking General Fund now. The Golf Course really is not affected. They do have a position ironically they

did not discuss in Engineering that is included and funded, but should not have been. They will save about \$80,000. He thinks given the direction that they heard here in the last few minutes, they have enough to work with. As he mentioned to Mr. Beach, while they could not properly evaluate changes to their health care system probably in the next few days, they could begin to evaluate that with the understanding that these are a transfer of one time resources and they are going to be confronted with this issue next year. So they need to begin to study that immediately in anticipation of that. The answer to the question is he thinks there are opportunities for additional savings. He would not necessarily tie it to a specific percentage, particularly given the consensus that seems to have developed here.

Mayor Benton said do they have a motion? If three Commissioners agree, he just was trying to make it clear, he just wanted to make sure that when they come back here Tuesday night, they know where they are going with their budget. They have an almost balanced budget. Did he hear right, that three Commissioners at least want to take 80% from the Marina and 80% from Solid Waste, and the other 20% staff will try to cut or save throughout the year?

Motion was made by Commissioner Becht, seconded by Commissioner Coke, to direct staff to come back with a budget that incorporates an \$800,000 transfer from Solid Waste and a transfer of 80% of the approximate \$1,366,291 from the Marina, and find another roughly \$460,000 in savings in the General Fund budget, trying to leave alone both Public Works and the Police Department budgets.

Commissioner Nelson said that sounds like what they talked about.

Commissioner Coke said unfortunately everyone was telling her in August or in July that it did not matter that they left this to the last minute. She is here to tell them now, now they want her to look at this. When will they get this budget to review prior to the first reading?

Mayor Benton said basically they told staff where to get the money from. So he thinks with the exception of the line items that they talked about today, that is the only thing they are going to see pulled out.

City Manager Beach said what they will do is summarize any changes in memo form and they will be dealing with this same budget document.

Unless they give Commissioner Nelson his way, they do not have to go through it line by line again. They will summarize those changes, they will show them what the impact of the reductions are. They still, even after the first reading, they have until the 17th of September to continue refining this and talking about it.

Mayor Benton said he is not going to support the motion because he was hoping they could look into the creative policing. And he thinks they are going to have to soon, one way or the other. But he is glad they at least came to a consensus.

Commissioner Becht said he appreciates the Mayor saying that, but it is not creative policing, it is creative financing.

Mayor Benton said call it what he wants. But they are going to have to get creative at the City like they have to deal with their personal finances.

Those voting in favor of the motion were: Commissioners Becht, Coke,

and Nelson. Those opposed: Commissioners Alexander and Benton.

Commissioner Nelson asked don't they have something to do with the FPRA? Mr. Beach's memo, the second thing there, are they going to talk about it?

City Manager Beach said he thinks what Commissioner Nelson is referring to is the decision on the options relating to the projects.

He is assuming that he is still under direction from them all not to pursue additional long term financing at this point in time and that is how they will proceed. (The Commissioners agreed.)

There being no further business, Mayor Benton declared the meeting adjourned at 3:15 p.m.

Adjournment.

ATTEST:

CITY CLERK

MAYOR COMMISSIONER

