

MINUTES OF A SPECIAL MEETING OF THE CITY COMMISSION OF THE CITY OF FORT PIERCE, FLORIDA, HELD IN THE CITY HALL COMMISSION CHAMBERS, 100 NORTH U.S. #1, FORT PIERCE, FLORIDA, AT 5:05 P.M. ON WEDNESDAY, SEPTEMBER 5, 2007.

Mayor Benton called the meeting to order.

The Pledge of Allegiance was recited.

Upon Roll Call, those present were: Mayor Robert Benton; Commissioners Rufus Alexander, Edward Becht, Christine Coke, and R. Duke Nelson; City Manager Dennis Beach; City Attorney Robert Schwerer; and City Clerk Cassandra Steele. Those absent: None.

The purpose of the Special Meeting was Public Hearing on the proposed 2007-2008 General Fund Budget for the City of Fort Pierce.

Commissioner Nelson said he did not mention it at their last meeting, but he was concerned about this economic development. They had some contractual arrangement where they were talking about \$100,000 to \$125,000 for a special contractor for economic development. Was that included in anybody's budget?

City Manager Beach said there is not a line item in the budget for economic development.

Commissioner Nelson said so they are not going to be paying anybody for the economic development study.

City Manager Beach said as the budget is currently written that is correct, they will not.

Mayor Benton declared a Public Hearing in session and asked if anyone in the audience wished to be heard.

Mr. Philip Gates said he is a citizen in Fort Pierce. He is just shocked. He has been over here to City Hall for the past three days asking for copies of the proposed budget that was being reworked by the City Manager and he assumes the Finance Director, and he has not been able to even as of late this afternoon be able to pick up a copy of the budget so he could review it and have proper comments here today for this. He knows that time is short. But he is sure that over the period of time through the year that they may have been able to work on this at a much earlier date. He hopes they all realize that since 2004 their budget has increased by 54% and the citizens of Fort Pierce have reaped the benefit of higher taxes and probably not very many new services that are being rendered. So he hopes they can have a dialog here in the near future after he gets a copy of the budget and are able to read and look at it. If the Mayor will call him, he will be happy to offer some solutions to some of his dilemmas.

Mr. Don Root, AGCR Group Inc., said he has watched this process and he knows it has been a difficult process for the City to go through in light of what the Legislature has done. He knows there is a general imbalance between the General Fund and the FPRA and they have been struggling on how to balance that out and get everything done. What he wants to address, what Commissioner Nelson brought up, is that throughout this process he hasn't seen any money or anything allocated in the budget for economic development. He thinks in light of the situation they face now and continue to face, economic development is going to be extremely important. Bringing additional tax base to the City and especially good paying jobs is going to be the lifeblood of this City if it wants to progress. He does not think it incumbent upon the FPRA to be the only group doing economic development. In fact, economic development involves improving their

product they are putting out there to attract companies here. Mr. Ward is doing that within his district in his area. But there is a lot more to the City than the FPRA. And there is a lot that could and can be done. They set the basis up for proceeding forward over the last eight months. And yet he is disappointed that there is no money to go forward with that effort. And he thinks it is extremely important to the City of Fort Pierce.

Ms. Arden Peck said actually she just kind of swung by to get her citizen's perseverance award as being the only resident to sit through the majority of the budget hearings last week and she thanks Commissioner Nelson for the opportunity to hear him. She has some questions and hopefully this is the time and place for answers. When they were talking to the person representing the Humans Resources group, they were talking about Administrative Assistants versus Executive Assistants. She believes it was said that one Administrative Assistant hit the top of the pay scale and then moved up to become an Executive Assistant. Is this common practice, that if you hit the top of one pay scale as an Administrative Assistant then you move up to the next level?

City Manager Beach said an Administrative Assistant position is essentially a secretary position. An Executive Assistant reports directly to a Department Head or some senior manager. It is conceivable that they draw their Executive Assistants from the secretarial level, but it is not an automatic step.

Ms. Peck said so there would be some sort of requirements to become...

City Manager Beach said yes, that is correct.

Ms. Peck said when Ms. Birsky was talking about the Golf Course, she was somewhat appalled to learn that because they don't have a clubhouse that they had lost 29 tournaments. She guesses she was waiting for someone to ask, what was the projected loss in revenue from losing those tournaments? Mr. Beach did say that there were plans in the works to build a new clubhouse. As a resident, those plans should be fast-tracked and done as quickly as possible so that they are not going to lose everything to Gator Trace any more.

Mayor Benton said that is their intent. A lot times, like with the Chamber of Commerce, a lot of them are fundraisers where they are looking for donations. But it is very important that they bring these people to the Indian Hills Golf Course, which keeps them coming back. He believes they have plans getting ready to come in front of the Planning Board.

City Manager Beach said those are currently in the Planning Department and will be presented to the Planning Board. The design of the clubhouse is complete and it is actually ready to go; but they still haven't resolved the financing mechanisms for the clubhouse and they are working on that as well.

Seeing no one further and hearing no one wishing to be heard, Mayor Benton declared the Public Hearing closed.

The next item on the Agenda was Consider any proposed amendments to the 2007-2008 Budget.

Commissioner Nelson said under Miscellaneous Revenues of FPRA, the change in the transfer of administrative costs from \$600,000 to \$725,000, basically he is not sure what they are doing there and when and how long they have been doing it. Can somebody explain that?

City Manager Beach said he would like to make a few comments as they get started and he will try to address Commissioner Nelson's question.

He has passed out two documents. One is a Memorandum from him to George Bergalis dated August 31st. In that Memorandum he described what he believes to be the direction of the City Commission in terms of the layout of the budget from this time forward. If they are successful at getting a consensus on a proposed budget, the next document that comes to them will be in the format they see in this memorandum (Actual 2005, Actual 2006, Adopted 2007, Projected 2007, Proposed 2008). In addition to that, the second row of words (Classification, Authorized Positions, Funded Positions, Adopted 2007, Authorized Positions, Funded Positions, Proposed 2008) has to do with how they describe where they are in employment. The Commission has had difficulty tracking where they are in terms of funded employees, unfunded employees, what was authorized, and what they wound up with. They are changing both of those formats to comply with that. So if these do not meet their expectations or what they anticipated, please let him know at any time, because Mr. Bergalis will start working on this before too long.

City Manager Beach said the second document he handed out is the proposal from Staff to balance the budget that was presented to them last week. If they recall, their instructions were to reduce the contributions from the Solid Waste and the Marina by 80% of what was recommended. They see at the top of the page, that is what has occurred. That created a \$473,258 difference between their revenues and expenditures. What follows from there are alterations and shifts in the budget that would make up that essentially \$475,000. The first column being what Commissioner Nelson commented on earlier, the first change, is to change the administrative transfer from the FPRA to the City from \$600,000 - what it currently is in their budget as recommended for 2008, a \$600,000 transfer to cover administrative overhead. The proposal is to increase that by \$125,000. The reason for this is based on their analysis and input from managers throughout the organization, a closer cost in administrative overhead to that Agency is in excess of \$1 million. They are not proposing to try to make that argument to the Commission at this point in time. He has had other Commissioners suggest they go back into this analysis of an indirect Cost Allocation Study program, similar to what they did two or three years ago (PMG Associates, Inc. - May 2005) and he thinks that is a good idea. They simply have to do it better than they did previously, that way they can verify what Staff is telling them now in terms of what they contribute toward the FPRA.

The second item is in the Planning Department. Right now in the Planning Department there is \$400,000 for contractual planning costs.

Staff is proposing to shift \$200,000 of that figure to the FPRA to deal with projects and planning activities within the Redevelopment Agency - specifically the 7th Street & Avenue D Charrette, the Waterfront Charrette, and so on. The remaining money in the Planning Department goes for Land Development Regulations rewrite and also the Lawnwood Park and those planning activities that are not eligible Redevelopment Agency expenditures. Under Building Inspection, they use a contractual service to review many of their projects. It is currently \$150,000. This proposal is to shift \$50,000 of that to pay for review of Redevelopment Agency projects. The last one is Public Works. That is \$100,000 in

contractual fees related to a new service that is being created within the CRA having to do with beach cleaning and debris removal on South Beach. That gets them a total of \$475,000 and they would have a balanced General Fund budget to review.

Commissioner Nelson said back up to the Miscellaneous Revenue going from \$600,000 to \$725,000. The approximate cost is \$1.135 million for the total shift now?

City Manager Beach said no, the total shift would be \$725,000.

Commissioner Nelson asked what is this \$1.135 million?

City Manager Beach said that is a figure the Department managers have calculated taking their complete payroll and making an estimate of the time they are involved in Fort Pierce Redevelopment Agency activity. That total figure is \$1.135 million. But that is not what Staff is proposing. What they are proposing is \$725,000.

Commissioner Nelson asked so they are getting a difference between the \$725,000 and the \$1.135 million? Is Staff sort of giving them that on a gratis basis or something?

City Manager Beach said he knows the Commission has struggled with this concept and struggled with this issue. He knows that are concerned about using more of Redevelopment Agency resources than they should. This is Staff's method of showing them that they are using much less than what they believe they can justify.

Commissioner Nelson said a firm came through some time ago and went around and asked people how much time do they spend on these projects in support of the FPRA. Did they adopt those findings?

City Manager Beach said his recall is, they did not adopt that because Staff was in disagreement with the conclusions that were reached. There were Departments that did not contribute to the analysis and to the study. Those showed up as a zero in the consultant's final report. Staff simply said that was not acceptable. His recall is, they did not adopt it, but they certainly did have that analysis conducted.

Commissioner Nelson said he is trying to figure out how they formalize that to the point that they start out with \$600,000 and now they go up to \$725,000. How solid are they with respect to cost analysis on this?

City Manager Beach said Staff is comfortable in that the individuals that put this together are the individuals who actually work on these various programs and projects and activities within the Agency.

Commissioner Becht said he wants to clarify something and make sure he is reading the information correctly. As he is looking at the General Fund budget for the City of Fort Pierce for Fiscal Year 2004-2005, the total budget for that year was \$38,560,199. Is that correct?

Mr. George Bergalis, Director of Finance, said that is correct.

Commissioner Becht said the proposed General Fund budget for this year 2007 - three years later - is \$41,473,962. Is that correct?

Mr. Bergalis said that is correct.

Commissioner Becht said that is roughly a 7% increase in the General Fund budget. If they want to talk about the FPRA budget, they are going to have a substantial increase in that budget, but that is a different thing. So in the General Fund budget over the last three years they have roughly a 7% increase. Anybody with a calculator can figure that up because the numbers are now in the record. He thinks they are all frustrated at throwing the numbers together and trying to get the numbers to balance and trying to build a consensus here. Because of Government in the Sunshine, the City Commissioners can't meet other than in the Sunshine to discuss it. They have met several times and they are trying to build a consensus. He is not happy that the apparent resolution as proposed by Staff is to take the existing \$600,000 transfer from FPRA for administrative expenses - which he does support - but to add another \$475,000 on top of that to balance this budget. There were certain items that he found palatable, there are certain things he does not find palatable. But it does not seem to him that any creative juices were used to balance the budget other than to go to the cookie jar that they always go to when they have a problem. Although he saw at last night's meeting that the other cookie jar they go to is the General Fund and they used that because they had an emergency with the health care claims and premiums. He does not know how they are going to build a consensus tonight. But he would just express his frustration at this being the proposal.

Commissioner Nelson said that sum was \$125,000, not \$475,000.

Commissioner Becht said no, if he will look at it, it is \$475,000 and all of it is coming out of the FPRA, unless he has misread it. Has he misread that the \$475,000 comes out of the FPRA.

City Manager Beach said he has not, he is correct.

Mayor Benton asked when it comes to personnel services, back in 2004 they had \$18 million and today they are at \$23 million, could they say that most of that is there, that additional expense, because they raised the multiplier from 2.5 to 3.0 and they had a wage study that increased wages in the Police Department and throughout City Hall up to what this Commission felt and the study showed they needed to be paying their employees to be competitive?

Mr. Bergalis said that would be a correct statement.

Mayor Benton said he just wanted that in the record. Because he can remember years ago sitting on the Fire Board where their budget went up \$1 million and all it was was a contract. The majority of what they are paying out today is wages and that is just the price of doing business. A lot of this isn't capital, it is just the cost of doing business with employees, and they deserve it.

Commissioner Coke said she is going to echo some of Commissioner Becht's concerns. She is not going to beat the dead horse about how now they are under the gun, but they are under the gun. She does not like to operate from a position where she has to react rather than be proactive and find solutions to problems. They were presented with three ways to balance the budget two weeks ago. They were presented with the same three ways to balance the budget last week, none of which were palatable to the majority of the Commissioners. Since then they have had some other offers on how to balance the budget tossed out to them. The least offensive of which was this, although she will say it did not make her happy because

once again they were looking to cut the people that deal on a day to day basis with society. So she kind of felt when they left here last Thursday the directive of this Commission was to cut 1% of the budget from the General Fund. 1% is not a lot of money. And instead they have cut once again not a dime from the General Fund, but they are going - as Commissioner Becht eloquently put it - to the cookie jar. She is going to share with everyone here - and she does not want to belabor the point - but she recalls quite clearly and has first-hand knowledge of twenty years ago their then CRA got involved in a lawsuit because some people felt things were not done properly.

She is here to tell them today, it was a \$60 million triple indemnity lawsuit, \$180 million. The City was named, the local banks were named, each and every member of the CRA Board was named individually.

When she brought this to Mr. Beach's attention, he said it turned out all right. She said to him, he didn't live through it, he didn't live through 18 months of depositions 20 or 30 hours a week, he didn't live through the wear and tear or the stress level or his family or anything else. So she is going to tell them the same thing she said a long time ago, they need to get an outside consultant. And if Staff disagrees with the consultant, then they need to fight it out with the consultant. But she for one does not feel comfortable saying Staff thinks they are using \$1.135 million in services but they are only asking for \$725,000. Her concern with that is, some place somebody down the line is going to question it. And she will tell each and every one of them, when it gets time for the lawsuit, whether the City pays for the lawyer or doesn't pay for the lawyer, they are not going to want to live with the toll it is going to take on their personal life and their health, just for the fact they don't have a study in writing saying this is what it should be. If they get a study in writing saying this is what the actual costs are, she can support that. But until they have that by a third party independent counsel that is going to tell them that figure, she can't support this.

Mayor Benton said he would probably agree with her that in the near future, especially if they were going to look at the neighborhood policing if they had three votes to do that, he would have no problem with having an outside auditor help them. They would have this auditor specifically do this with the FPRA. But as they see other CRAs like Palm Beach and Delray are doing these things, it has got to be legal to do it. How do they get there? To him, that would be the subject of that special auditor or whatever. But he would support her on that.

Commissioner Coke said where they differ is that she has a difficult time... Granted, the FPRA budget has grown. They went from \$60,000 in City funding, then \$125,000, then they made a tremendous leap to \$600,000 that the consultants they brought in did not agree with, but they did it anyway. Now they are looking to go up again. She for one does not want to assume the liability on a personal level and she does not want to assume the liability on the level of the FPRA. They have accomplished so much and they have gone so far to jeopardize the future of that Agency, which is exactly what they would be doing if they don't have proper documentation and proper commitments made. She does not want to see them stopped dead in their tracks for that.

Mayor Benton said if three Commissioners want it, they can put that on the next FPRA agenda. He has no problem with a second opinion. They would all feel better.

Commissioner Becht said they don't have a revised budget, they have this memorandum that talks about transferring monies from the FPRA.

Is he wrong in assuming that they can revise the budget to capture the increased revenues they are going to get from the City Marina rate increases and the changes in the dependent health care coverage where they roll that back down to the correct percentage?

City Manager Beach said they can do that when those things occur.

But that would involve a higher transfer from the Marina, if that is what he is anticipating. What they are struggling with here is the General Fund. Their other funds are in fine shape.

Commissioner Alexander asked last year, what was the administration transfer from the FPRA?

Commissioner Coke said \$600,000.

Commissioner Alexander asked is he missing the boat on something?

Some time in this year they allowed to let some jobs go away because they were no longer transferring the same amount from the FPRA?

City Manager Beach said last year they had an administrative transfer of \$600,000. And then they had allocated several positions within the Planning Department and the Community Development Department to the FPRA, those they felt were eligible CRA expenditures, and those were the ones that were eliminated.

Commissioner Alexander asked but where did it eliminate the monies being transferred from the FPRA to the City?

Commissioner Coke said no, they did not get a rebate for those employees.

Mr. David Recor, Deputy City Manager, said yes, they did, that is not accurate. If they look at the budget, they will see zeros in the columns from where those positions were previously funded by FPRA. They are not funded in the General Fund this year.

Commissioner Coke said she believes Commissioner Alexander's question was if they had budgeted \$600,000 and some of them were let go, then that money should have been given back.

Commissioner Alexander said he is not trying to debate anything, he is just asking. Last year they transferred \$600,000. This year they want to transfer \$600,000 plus \$125,000.

Mr. Recor said in addition, there was also \$609,000 of personnel costs in addition to that \$600,000 administrative fee. The rebate, the credit, call it what they want, is shown in the zeros that are listed in the positions that were eliminated.

Commissioner Alexander asked the positions that were eliminated tallied up to \$600,000-something?

Mr. Recor said no, that was the total value of the positions that was funded by the FPRA last year. It was just over \$600,000 in addition to the \$600,000 administrative transfer.

Commissioner Alexander asked in addition to their legal department transfers and so on? Again, that cookie jar is just a cookie jar.

Mr. Recor said if they specifically look in the Planning Department budget, for example if they look at the Urban Design Administrator position, that was one of those positions that was funded by FPRA.

That position has been eliminated and there is a zero beside that for this year. There is also a zero beside the Director of Community Development position. That was a position that was funded by the FPRA in the \$609,000. Those have not been picked up this year.

Commissioner Coke said she is trying so hard not to say anything, but this is where half of the problem comes, and she knows nobody wants to talk about this ever. In her mind the FPRA is under the direction of the FPRA Director who answers to the FPRA Board and the City Manager theoretically, sometimes that changes on the chart.

Her question was then and it is now, if they had four or five positions funded 100% by the FPRA, those people should have answered to the FPRA Director and been under his control, which then would have led to the FPRA Board having some control and some say in what was going on and knowing what was going on. When she spoke with Mr. Beach yesterday about transferring more funds from the FPRA, she told him she was going to need an outside consultant telling her this; and if they are paying direct salaries for people from the FPRA budget, those people need to work for the FPRA Director.

The next item on the Agenda was Recompute (if necessary) and adopt the proposed Millage Rate and Publicly announce the percentage, if any, by which the Millage Rate exceeds the Roll-Back Rate.

Mr. George Bergalis, Director of Finance, said the Millage Rate is 5.5659.

Mayor Benton asked the Roll-Back Rate?

Mr. Bergalis said 6.1164.

Mayor Benton said that is the first time he has ever seen the roll-back rate higher. They have to adopt the Millage Rate. Is there a motion? Do they want to lower it?

MAYOR BENTON PASSED THE GAVEL TO MAYOR PRO TEM ALEXANDER.

Motion was made by Commissioner Benton, seconded by Commissioner Becht, to adopt the proposed Millage Rate of 5.5659.

Commissioner Becht asked how do they adopt a proposed millage rate when they have not adopted a proposed budget?

City Manager Beach said they made a determination some time ago as to what the proposed millage rate was going to be. That was established through the Legislative Act that took place, it was calculated and presented to them before. What they are going through now is a formal adoption. As the Mayor indicated, their choice is to adopt it or lower it.

Commissioner Becht said he guesses the answer to his question is, he can adopt a proposed millage rate and not have a proposed budget.

Can he adopt a proposed millage rate without having a proposed budget he finds palatable?

City Manager Beach said he knows of no reason they could not do that.

City Attorney Schwerer said the answer is yes. But they have to fit their budget into the revenues they are going to generate by their proposed millage rate.

Commissioner Becht asked how long does he have in order to accomplish that task?

City Attorney Schwerer said they have to adopt a proposed budget by a certain date.

Mr. Bergalis said if they don't have a budget adopted for the 2007-2008 Fiscal Year by the end of this month, then they essentially will go into the next fiscal year under the existing budget for a period of time, until the Commission takes some action.

City Attorney Schwerer asked so the deadline is September 30th?

Mr. Bergalis said operations won't shut down.

Commissioner Becht said he does not remember they have not had an approved budget at the time they have adopted the millage rate in the last three or four years. To his recollection, while he has had the pleasure of serving up here, he does not recall that they have adopted a millage rate without actually having the proposed budget to attach to that proposed millage rate. Has that happened before?

Mr. Bergalis said it hasn't happened in the last 29 years at least.

Those voting in favor of the motion were: Commissioners Becht, Benton, Coke, Nelson, and Alexander. Those opposed: None.

MAYOR PRO TEM ALEXANDER RETURNED THE GAVEL TO MAYOR BENTON.

Commissioner Nelson said that does not mean they have an approved budget.

City Attorney Schwerer said no, they have Public Hearing to go as well on the budget.

Mayor Benton said at any point if there is a motion to approve the budget, it can be done. There was a motion made the other day to tell Staff the direction to go to balance the budget. It has come back at almost what three votes said, not 100%.

Commissioner Nelson said almost.

Commissioner Alexander said they had three ways of balancing the budget presented to them. If they don't accept the proposal presented to them today, can they revisit the other three ways?

Mayor Benton said he believes they can. He thinks they would all feel more comfortable if they have a budget approved.

Commissioner Becht said they are not limited to the three proposals. This is one of those times when the Commission is in charge.

Mayor Benton said when there is three votes for any motion on a proposal put in front of them, then they are there. Right?

City Attorney Schwerer said that is an accurate statement.

Mayor Benton asked did they need a motion for the roll-back rate?

Mr. Bergalis said all they needed to do is announce the adopted millage rate is less than the roll-back rate, so there is no percentage increase.

Mayor Benton said Mr. Bergalis just announced it.

The next item on the Agenda was Adopt the **Tentative 2007-2008 General Fund Budget**.

Motion was made by Commissioner Coke, seconded by Commissioner Alexander, to deny adoption of the tentative 2007-2008 General Fund Budget.

Commissioner Becht asked do they really need to deny it? Or do they need to give clear direction to Staff as to what they are looking for here?

Commissioner Coke said she will tell them why she made the motion. With all due respect to Staff, she personally has an increasing level of frustration on the fact that she does not believe they have done everything they can to trim the budget and the Commissioners are the ones that end up being ultimately responsible. She does not think they have been fiscally responsible in a lot of areas they should have. She does not think they have been as knowledgeable as they should have. And although she does not believe it was necessary to have a motion to deny, she wanted everybody to understand - in case they didn't from the last twelve hours at this - exactly how she felt about it.

Those voting in favor of the motion were: Commissioners Alexander, Becht, Coke, Nelson, and Benton. Those opposed: None.

Commissioner Nelson asked in that denial, are they giving additional or more clarified instructions relative to how they are going to come up with a budget.

Mayor Benton said he is going to make a suggestion. At the last meeting he heard the motion. This proposal is close, but it is not all the way. If they need to get a little closer, he would ask the City Manager to sit down with each Commissioner, schedule an hour with him.

City Manager Beach said he has done that three times. He has sat down with everybody three separate times. This Commission is setting conditions on this budget that are absolutely impossible - don't lay anybody off, do everything they want done, lower the taxes, and don't transfer any money from the Fort Pierce Redevelopment Agency.

This is their third or fourth attempt at doing that. They sat down and talked to everybody. People say yes, they can support that or go for that, but don't lay anybody off.

Commissioner Alexander said he disagrees with that. When he wasn't available to be here at the first budget hearing and there was a proposal made about the community policing, they had two Commissioners that were affirmative. He called Mr. Beach personally and told him he supported that.

City Manager Beach said yes, he did. What he is trying to say is, he has found something that works for each and every one of them. What he hasn't found is something that works for three of them.

Mayor Benton said he agrees with Commissioner Alexander. The only reason he voted with the motion tonight was because they voted the other day against... If this money was coming from the FPRA for neighborhood policing, he would have supported it. But to take money from what he considers almost a public business, the City Marina, he has a problem with that. When it comes to the FPRA, it is tax money - it is either coming from the right pocket or the left pocket.

Somebody made a comment, what are they going to do in ten or fifteen years when the FPRA is gone? That money - this year about \$4 million - will be put into the General Fund and the money will be there to pay for the policemen. So that is why he didn't support it and he thinks that is what he has heard from Commissioner Alexander. But there wasn't three votes that day to look at that proposal.

Commissioner Becht said there were three votes on a motion he made and either Commissioner Nelson or Commissioner Coke seconded. Do they have the Minutes to see whether there was any clarity in that motion?

City Clerk Steele said she does not have that with her.

City Manager Beach said he recalls specifically. The direction that was followed in making the necessary cuts to accomplish that was discussed with at least four members of this Commission and they rejected that proposal, they rejected the cuts that were suggested to accomplish what the Commission asked Staff to accomplish. In his one-on-one discussions with them, it has been consistent - do not cut jobs.

Commissioner Alexander said absolutely.

Commissioner Coke said she understands that times are tough and life is tough and they all need to tighten their belts. She said right up front she thought this Commission ought to step up to the plate and lower their salaries back to pre-hurricane salaries. She had Commissioner Becht voting with her, but unfortunately that was that.

She does not feel comfortable taking any money actually from the Marina and from Solid Waste to supplement the General Fund. She said the other day she felt it irresponsible, it was putting a bandaid on the Hoover Dam when it is getting ready to fall down. They need to find a way to cut the expenses of the General Fund. If everyone is saying that the reason staff and expenses have grown here is because of the FPRA, then she would put it to all of them that she could be supportive of the FPRA having the staff it needs to have and be in control and submit a budget. The FPRA Board, there are some pretty intelligent people that sit on that board, needs to have oversight and control over that. She does not feel comfortable with the fact that things happen and it is either mentioned or it is after the fact mentioned. She is the one that has to be out there answering to everybody. She does not like the fact that the FPRA Board does not have direct input or control over what happens with all that FPRA money. It used to be the City had a little pot and the FPRA had a tiny pot. Now the FPRA has a great big pot, so the City is just taking over that. She has a concern. The reason they voted to become the FPRA Board was so that they would oversee those funds and how those were being directed and what was happening. And she does not see that as the direction that this change has taken in the last few years and she just does not feel comfortable with it.

Commissioner Nelson said he is sort of in variance with the City Manager relative to the impossibility of the task. He does not believe anything is impossible. Perhaps if they look at some of

the things Commissioner Coke talked about, i.e. reduction in salaries as opposed to laying people off might be one thing, deferring of some of the capital projects might be an area, looking at the statement of accounts where there are delinquent liens on properties they have demolished representing some \$2.5 million, be more aggressive in that area, of course this might take a little time, but it might represent some influx of monies. But the fact he is trying to drive home is, the impossibility factor should not be factored in, in that nothing is really impossible. Just put their heads to it, get the input from the people they have to work with, staff and all, innovative ideas they might have, they might come up with something that is palatable to everybody. No, he does not want to lay anybody off; but if that is a necessity, then they will do that. Sometimes they have to make hard decisions, do what is necessary to make it happen.

And of course if and when they do it, the trick is to try and do it in a fashion that is least painful to people involved. He would like to dispel that impossible task and look at some level of further fine-tuning and being more diplomatic and humane in the process. They have a few days to do it. They can solve this problem. They have some good people on board, they have people who are capable in every respect. All they have to do is put their minds to it and do what they can to make it work. It is not impossible.

Commissioner Becht said he is hearing from Staff they have explored all options and not been able to build a consensus among the Commission. They can hide behind a statement that they are going to send it back to Staff and ask them to solve it; or they can build the consensus here tonight. So he is going to echo Commissioner Nelson's comment that if they have to lay people off, then that would not be his first option, but if that is what it is going to take to balance it without doing the substantial transfers from the FPRA, which he just philosophically cannot accept at the level they are doing it. Part of that is, he thinks the transfer from the County is like \$4 million. If the City is going to take \$1 million of that money to pay for their regular operating expenses... He hates saying this publicly, but he needs to say it in order for everybody to understand why he is so adamantly opposed to this. If the City is going to take \$1 million for their regular operating budget and the County puts \$4 million in it, why shouldn't they come back and say they want \$1 million for their regular operating budget? So until they distinguish the money they are pulling across from the regular operating budget from services that are specific and peculiar to the FPRA, he has a hard time stomaching that.

City Manager Beach said if they took away the resources of the Fort Pierce Redevelopment Agency today, this City would be doing nothing.

They are not spending one dime of FPRA resources on City functions that they would normally be doing. They would be doing nothing.

Commissioner Coke said they might have a consensus in about two seconds.

City Manager Beach said every time a Commissioner says that they are using this money inappropriately or improperly, that is feeding people who are saying that - and it just simply is not accurate.

Commissioner Coke said she does not think anybody has said they are using it inappropriately or improperly. She thinks what has happened is, what she is saying is she does not feel that she has as much information on a daily, weekly, or monthly basis as what is going on. She is really not looking to argue. But she will say this. When they left here last Thursday, they gave in as far as she was

concerned, because her initial reaction was not to take anything from the Marina and not to take anything from Solid Waste. They gave in for 80% of that. Now they move forward and there are other options here. She does not recall anybody calling her and asking how does she feel if they terminate three positions that are being paid from the FPRA? Nobody said it. They said that is what they need to do and they did it. And everybody suffered the consequences afterwards. Somebody please correct her if she is wrong, but she thought they left here last Thursday after many hours and said they would take 80% of what was requested from Solid Waste and 80% of what was requested from the Marina and the other \$475,000 find in the General Fund. It was her recollection they said do not terminate Public Works people and Police Officers. She believes those were the only stipulations put on the conditions they requested last week.

Is there anybody else's recollection?

Mayor Benton said that is what was said. He knows there were that were proposals made and he thinks everybody...

Commissioner Coke said the proposal was made. But staff said they can't do it. So they can't kick it back to the Commission that none of them were willing to bite the bullet and say okay. If the proposal was made this is how to solve it and they say they can't do it...

Commissioner Becht said he will accept as necessary, because the City Manager is telling him that he has to accept it as necessary, laying people off. He and Mr. Beach had talked about incentivizing some of their more senior employees that are approaching or close to retirement with some kind of package they might take for early retirement. The benefit of that may not be seen in the first year's budget, but thereafter it might be. But he does not think they have gone far enough to compliment the departments within the City that actually did meet the task set. Human Resources, Purchasing, MIS, and maybe some others actually reduced their budgets.

Mr. David Recor, Deputy City Manager, said that didn't happen on its own.

Commissioner Becht said he is not saying it did. But all the departments were asked to reduce their budgets. Those three he can remember were able to do it. It is not apples to apples, every department is not the same, he recognizes that. But some departments did it and other departments did not do it. At this point he is going to take the governor off. If they have to go into the Police Department or go into Public Works to balance this budget with picking and choosing the employees that have to be let go, or if they have to roll somebody back from 40 hours to 32 hours so that they don't lose their job entirely, these are the kind of things that he is going to tell them are back on the table as far as he is concerned, so that they can balance this budget.

Mr. Recor said they are so close, they really are.

Commissioner Becht said he felt they were. He wants to finish this.

He does not want to dump this back on Staff tonight. The Commission gave Staff what he thought was fairly clear direction. And when Mr. Beach goes to each of them individually and tries to figure out what it was they meant with this motion, Mr. Beach is telling them - and he has to accept him at his word - he can't balance it with the conversations he is having with them one-on-one. They have to give him clear direction to do this. From his perspective, he is not going to hamstring him by telling him he can't touch Public Works

and he can't touch the Police Department. Everything is going to be fair game and they are going to have to figure out how to pull the \$475,000 out of all of the departments.

Mayor Benton said he for one would prefer not to touch Public Works or the Police because that is the majority of what he thinks his tax money is out there for, is keeping the roads open and safe, and keeping the neighborhoods safe.

Commissioner Alexander said he seconds that.

Commissioner Coke said she would agree with that. She also loves Commissioner Becht's idea that they can give some people options.

They have to have layoffs. The choice is going to be, either they have to lay someone off, or they are going to cut back eight hours a week from ten employees. That is the same as laying two people off. That is a much kinder way to do it.

Mayor Benton said next year they are going to be looking at layoffs, he does not think they have a choice. But he thinks they are going to have to look at a policy which has been done in other areas and he knows the City did it several years ago when it comes to early retirement. When they have people who have been in a position for 25 or 30 years, they are going to have to offer them something to retire. They did it in the Police Department?

Chief of Police Sean Baldwin said he believes they explored the option, but didn't actually follow through with it.

Mayor Benton said he thinks next year they are going to have to get creative and look at it. They have a very short period of time here. A lot of employees have been here for many years.

Commissioner Nelson said he is in opposition to him saying they should decide right here who is going to be laid off or what percentage of work is going to be done or all that. He thinks if they were to allow Staff to go back and relook at this think from all spectrums and perhaps have a special meeting to look at what they come up with to balance this budget, erase this impossibility thing, that they will have a much better product. He did not have his budget book here tonight, thinking it was going to be all balanced. He is for having Staff go back and take a look at it. Some of the areas which they discussed during their workshop perhaps were not covered in the memo, the majority of them were. But if they go back and look at some of those areas that were questioned, there is a possibility they might in fact find the necessary \$475,000 they need to balance the budget, incorporating some of the ideas they have put on the table here tonight.

Mayor Benton said he thinks with the 80% and the 80%, the \$475,000 is what they are talking about. He does not think they need a public meeting with all five of them. He thinks what it is going to take is a meeting with Staff. Has everybody met with Staff since that meeting?

Commissioner Coke said she believes Mr. Recor and Mr. Beach said they found a solution, they could balance it. They had picked four or five people they felt were the right people, if they were going to have layoffs, to do layoffs. So her opinion would be, before they go transfer all this money from the FPRA, that they either need to go ahead and do that. She loves the idea to see if they can get some hourly cuts and keep the people employed. The other thing,

and she does not know how anybody else feels, but she would love to see a report. Two years ago they had passed a policy where if they had any new hires, they were not going to hire on the top of the pay range for any position. She has never personally got any feedback on this is the new hire, this is what the pay range is, and this is where they hired them. So although they set the policy, she has no idea if it is followed.

Commissioner Nelson asked did they address the health insurance?

Mayor Benton said they have. They just don't do that overnight, it is going to take a period of time. They have acknowledged it and the letters went out. But that is as far as they can go.

Commissioner Nelson asked there is nothing they can do now?

Mayor Benton said not overnight. It has to be negotiated.

Commissioner Becht said he asked the question and Mr. Beach said they can't do it and balance the budget with it tonight because it has not been done tonight.

Commissioner Nelson said he is not talking about the one with the Union. Does Mr. Bergalis have a take on this health insurance they can deal with?

Mr. Bergalis asked what kind of a take?

Commissioner Nelson said how they can get some monies so they don't have to lay people off and they can balance this budget.

Mr. Bergalis said once he gets his report back from TPA and the consultant, he will present that to the City Manager, who can then present it to the Commission. That is going to include proposals whereby the City can save upfront money in whatever denomination it wishes by a transfer of additional costs to the employee of the so-called monthly premiums. And if they do plan design changes, that is going to save additional money. There is money on the table there, but it is going to depend upon whether or not the Commissioners are going to go along with it. Whether or not they realize those savings will depend on whether or not the Commissioners agree to implement it. It can be implemented as soon as he gets the information and they decide it is something they want to do.

Commissioner Nelson asked how soon is he expecting the information?

Mr. Bergalis said this week.

Commissioner Becht said the problem with that strategy is they are going to need that chit to counterbalance what they are going to pick up in additional expenses as they renegotiate the contracts.

So if they save \$300,000 there - which he thinks in the number they bandied about, they may save upwards to \$327,000 - they are going to need that chit to balance the \$500,000 to \$800,000 it is going to cost them with renegotiating the contracts. So this budget has got to be balanced within its foursquare corners, rather than counting on that coming, because when they do get it they are going to have to use it to pay the increases.

Commissioner Alexander said he understands when they were putting the additions on the amounts that these funds are coming from the FPRA, which is the \$600,000 plus the \$475,000. So again, the Chief made a proposal about the community policing. He would be the last

one to say that this community does not need some help in their blighted area. Is that is what the Chief proposed? He read there was a 30% decrease in crime. Was that for St. Lucie County?

Chief Baldwin said the 30% decrease in crime is when they compared June and July of this year to June and July of last year.

Commissioner Alexander said so they are not on a downward slope. In other words, they need not to let it slip and slide and get past and let it return to those days they all regret, if they don't do something about that now. Is he still asking for the FPRA to issue, what? Plus what they give to the City Attorney. What is it, \$200,000? So they are talking anywhere from \$1.2 million from the Fort Pierce Redevelopment Agency anyway. That is what the proposal here tonight, is anyway? So no one can't see to just try to maybe put something in the hands of the Chief so they can have their community peaceful and quiet?

Mayor Benton said with the full Commission he is going to ask, are there three votes to take a look at neighborhood policing and fund it with FPRA monies? They have Commissioner Alexander and himself. Is there a third vote?

Commissioner Coke said she feels compelled to say something because they are being painted as if they do not support neighborhood policing, which is absolutely not the case. She supports neighborhood policing and would support the program. She is not going to support creative financing that takes money from the FPRA to give them the exact same services they have had previously. It is not a different program. It is not going to employ more police officers. It is not going to offer them more security. There is nothing new, innovative, or creative about it other than the financial juggling. If the Chief came to her and said he is going to keep staff the way it is and he is going to hire ten more officers and put this program in place, she would jump on it. But that is not what is being said. They are not hiring anybody new, they are not doing anything different. They are shuffling resources.

Mayor Benton said he knows they have some properties, but not the waterfront properties. Would the Commission be willing to... He knows they have one out there next to the old Central Fire Station. They have a piece of property there out next to the County's Special Needs Center at Lawnwood Park. The County has been wanting that for years. They need \$400,000 without getting rid of somebody. He is sure there are some properties there that could be utilized more than a dirt parking lot.

Commissioner Coke said but that is not resolving the problem. That is putting a bandaid on it. They are going to sell a piece of property this year to cover a \$400,000 shortage. What are they going to do next year?

Mayor Benton said what he is trying to do is come up with some type of solution to get them where they are going, other than laying people off. If that is acceptable with everybody up here, he is sure the City Manager can come back to them in a few weeks with layoffs.

City Manager Beach said let him try again. He will continue to have one-on-one discussions and see if he can build a consensus for a balanced budget.

Commissioner Nelson asked are they going to send this back to Staff and let them work on it?

Mayor Benton said that appears to be the consensus of everyone up here.

The next item on the Agenda was Review and adopt Operating Plans for Enterprise Funds - Solid Waste and City Marina and Indian Hills Golf Course.

Mayor Benton said he thinks they have already done that.

City Manager Beach said they have done that; but this is their opportunity again to amend or change those, if they choose to.

Commissioner Nelson said they are proposed to take a certain amount of money from both Solid Waste and the City Marina. He is wondering if they need to defer adopting their Operating Plans until they adopt their budget?

City Manager Beach said he thinks that would be appropriate.

Commissioner Becht said he is in agreement with that.

Commissioner Coke said so is she.

City Clerk Steele announced the Second Public Hearing (and First Reading of the Budget Ordinances) will be held at the Regular City Commission Meeting on Monday, September 17, 2007, which begins at 6:30 p.m. in the City Hall, City Commission Meeting Chambers, 100 North U.S. #1, Fort Pierce, Florida.

There being no further business, Mayor Benton declared the meeting adjourned at 6:15 p.m.

Adjournment.

ATTEST:

CITY CLERK

MAYOR COMMISSIONER