

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 MONDAY, SEPTEMBER 8, 2008.

Mayor Pro Tem Coke the meeting to order.

The Pledge of Allegiance was recited.

Upon Roll Call, those present were: Mayor Pro Tem Coke; Commissioners Rufus Alexander, Edward Becht, and Reginald Sessions; City Manager Dennis Beach; City Attorney Robert Schwerer; and City Clerk Cassandra Steele. Those absent: Mayor Robert Benton.

The purpose of the Special Meeting was Public Hearing on the proposed 2008-2009 General Fund Budget and Millage Rate for the City of Fort Pierce.

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

Mr. Steve Weaver, 1615 Thumb Point Drive, said he only had a few minutes to look through everything and he does not know if he will get any answers to any questions he asks today, but he thought he would at least ask them. On the Marina Fund, they had Miscellaneous Expenses for 2008 of only \$5,000, but for 2009 they are projecting \$30,000. That is Line Item 4990. He did not quite understand that. The line item related to Liability Insurance on the Marina had no figure whatsoever. He is not seeing a line item related to property taxes that won't be collected since the Marina is city-owned. That is about a \$500,000 actual cost if the Marina was in private hands. They are declaring \$600,000 in Depreciation. He is trying to understand, when they declare a depreciation in a budget like this where they are getting reimbursed for that money, where that \$600,000 actually goes. Does it go into the fund for the Marina? The Solid Waste fund, apparently they pay Waste Pro \$275,000 a year to pick up recyclables, but they don't get anything out of it at all. He does not know if that is a state-mandated action. He is not clear on why they would spend \$275,000 on recycling if they are not getting a penny out of it. The Solid Waste fund has \$30,000 in Unforeseeable Expenses. He just wondered if any of them ever had asked the question, what \$30,000 in Unforeseeable Expenses are? Again in the Solid Waste fund, they are talking about \$510,000 in Depreciation. He is trying to figure out how that works in a budget where their outlay matches their income. This year they don't have a transfer from the Marina fund. They have \$800,000 coming over from the Golf Course fund. Most of them in the public don't understand, is there a bunch of money sitting in a bunch of funds? If so, how much is in these funds and what kind of interest do they make? It looks like this year they are spending that \$766,000 on a building. He does not know much about that, didn't have much of a chance. He discussed with the Mayor and a couple of Commissioners and the City Manager's office that they don't have anybody checking the tax roll to see if it is as high as it should be. He brought to their attention several properties that are tremendously undervalued, whose owners would not be too thrilled with him being here and saying that. But there are several out there that are slipping under the wire that they should really take a look at. He would be glad to share the ones that he found to that effect. The Fort Pierce Redevelopment Agency is not showing any income expected for the Parking Garage space. He does not know if their intent is to keep that empty indefinitely, but he has inquired on numerous occasions on that matter. The FPRA is looking at \$200,000 in Legal Fees. They are paying \$125,000 in Real Estate Taxes that he is not sure if that just gets cycled back to them via the community development. Of all the different Administrative Charges, the City is charging the FPRA \$600,000 in administrative costs. And although he is not putting this very eloquently, that so far exceeds the number of personnel that he is trying to understand how that can be a real number, or is it just a method for the transfer to be higher? They have this Love Center that for the 2008 budget they had approved \$182,000 in the FPRA budget. But somehow they projected at \$380,000. So he just wondered, which of them approved the \$200,000 over budget amount for that Love Center line item? He will be glad to reduce this to specific references if so asked.

Mayor Pro Tem Coke said she appreciates his questions and his comments. Let her assure him, first of all if there was a change in something, she is quite sure the FPRA Board - the majority of them - voted on it. Secondly, Mr. Weaver did bring to light a lot of points. Unfortunately, although she started taking notes, she does not think now is the time that they can actually research all of those. But if Mr. Weaver will get a copy of his list to her, she will be glad to be sure they get all his questions answered prior to the next budget hearing.

Commissioner Becht said get a copy of that to him.

Commissioner Alexander said him too.

Mr. Weaver said he will do that. The Sunrise Theatre, they are showing \$550,000 in Depreciation. He just does not understand how it works in a municipal setting, where that depreciation actually goes. If they are using that depreciation to jack up how much money they have to bring in, he just wants to know where it goes. And even if the answer is perfect, he still would like to understand it. He is trying to get his mind around all this. In the Community Development Block Grant program, apparently there is \$50,000 out this year for Foreclosure Prevention; but he has never heard a thing about it, and he has been up and down all these halls as many times as anybody and he has never heard anything about that program. They don't have a local TV station, so that adds to the problem. Then in the General Fund, once again there is a lot of properties that are tremendously undervalued just by mistakes of the Property Appraiser. They should have somebody like an accounts receivable person checking the tax roll. They are leaving a lot of money on the table. And in the General Fund, although they have an Historic Preservation Officer aboard, in all these districts no one has ever managed to get one cent out of any state or federal agency for historical reimbursement of any kind. It says in the General Fund they are making \$250,000 off their investments. He as a citizen would like to know what those investments are and what kind of return they are getting. The only thing under the City Commission budget is \$60,000 on Life & Health Insurance. Even though they have an Administrative Assistant, that is still \$60,000. He is trying to understand if that is about \$10,000 each? That is more than he spends and he has pretty good coverage, so he is trying to understand that one. In the City Attorney's office, they have \$62,000 for Salaries, plus an anticipated \$435,000 in Legal Expenses, plus \$200,000 from the FPRA, plus \$25,000 from the Marina, and then a bunch of other little bits. So all the efforts they are talking about for cost containment and budget control, he can't take them seriously with this number still being on the table, that is his opinion. The Purchasing Department, their budget is conspicuously missing any outside consulting fees. He has had this discussion with the Mayor and the City Manager's office as well. There is nobody in this building that has much of a construction management background for construction cost estimation. They are making million dollar decisions without any outside expertise. They are letting money flow through their fingers that way. Some of these massive over-expenditures would be better suited if the funds were redirected to the Police Department, where they could use the money. The Public Works budget is conspicuously absent of any revenue for any scrap or surplus. They all know there is quite a bit of that generated. Where does it go? In the Administrative Department, this is just his personal understanding, Tax Increment Financing has a \$3.3 million expenditure. He does not understand what that is. In the Administrative Department, Line Item 4990, Miscellaneous Expense, for the year of 2008 it is zero and for 2009 it is \$150,000. So he would hope that all of these miscellaneous and unforeseen and other ones that are thrown in here to perhaps fluff up the budget or keep it ambiguous or just meeting the legal requirements of the reporting requirements, that at least a few of them would get an understanding so he can get an answer to his question. In the 2008 Budget, he is trying to figure out where the \$250,000 that had to be paid to Catalfumo is. He can't find it from one end to another, it does not have a clean name on it. In summary, he would like to get the balances of all the retained earning funds in the Enterprise Funds and the interest rates they receive on those, and the balance of all the loans and bond obligations that the City has. There are some of these roundabout things where the FPRA transfers money to the FPUA, who then transfers it

back to the General Fund. He is sure a lot of it makes sense, but it is a little confusing. He put a little time in on this, but he was hoping they would put in about ten times as much as he did, because he is not getting paid to do it. So he would like for them to take what he has thought.

Mayor Pro Tem Coke said a lot of the points Mr. Weaver is discussing and bringing up this evening, they have discussed during the five or six Budget Workshops they had that lasted five to six hours each. So she is sure that a lot of his questions are readily answered. If he would just reduce them to writing and send them to her, she would be glad to pass along answers to him.

Mr. Weaver said he understands those Budget Workshops, they were trying to get a lot done; but the lack of any opportunity for public input seems like a difficult thing to overcome for him as much as actually having something to say about it.

Mr. Valery Matischinec, 5501 Tree Top Trail, said his address is 2003 San Marcus Avenue. He has a question of the Mayor.

Mayor Pro Tem Coke said Mayor Benton is not here this evening.

Mr. Matischinec said okay, so he has to talk to them. Since he bought his property in 2005, his taxes went up from \$500 to \$1,500.

Commissioner Becht asked is that on his personal residence?

Mr. Matischinec said right.

Commissioner Becht asked did he not declare Homestead Exemption on his personal residence?

Mr. Matischinec said it is not homesteaded because he has another property where he lives, so he declared a homestead property where he lives.

Commissioner Becht said then they are having a communication problem. It cannot be his personal residence if he has another personal residence.

Mr. Matischinec asked so he cannot talk to them about this?

Commissioner Becht said Mr. Matischinec can talk about whatever he wants to. If his taxes went up three-fold in three years, that can't happen in Florida if that is his residence. But apparently he is claiming another property as his residence, so this must be an investment property.

Mr. Matischinec said right. He sold his property in Brooklyn, New York, and paid his money here in Florida. He invested money here. He lives with his family, his son. And he has to survive. He has been told that property values went up and that is why his taxes increased so much. Now property value is down, but they did not reduce his taxes. Even he can compare since last year, property was appraised by \$63,000 and he paid taxes of \$1,500. This year they appraised his property to \$55,000, almost \$10,000 less; but he has to pay property taxes higher, \$1,541 plus add \$200, so it will be \$1,700. So he cannot afford to pay taxes this year. He tried to pay all of his taxes on time, that is what he did last year. He has been told that if he paid all his taxes, that next year property values will go down and taxes will go down as well. So he will end up with no money to pay for taxes. His question is, why are taxes so high?

Mayor Pro Tem Coke said as far as his appraised value, he needs to go visit the County Property Appraiser, because he does all the appraisals. The City has nothing to do with the appraised value on his home or his property if it is not his primary residence. He would

need to go see the Property Appraiser on that. In the City of Fort Pierce, they lowered their millage rate, the percentage charged, last year and this year also. Fort Pierce's millage rate is lower. She does not know what other entities are taxing him that are causing his tax rate to go that high, other than appraised value.

Mr. Matischinec said but they appraised the property even lower, but the taxes go even higher. So why didn't taxes go down?

Commissioner Becht asked does he have his tax notice with him?

Mr. Matischinec said he has it right in front of him.

Commissioner Becht asked may he look at it?

Mr. Matischinec said yes.

Commissioner Becht said he thinks Mr. Matischinec is misreading it. It says if the City adopts the budget they intend to adopt, his taxes are going to go down to \$1,329. May he circle the number for him?

Mr. Matischinec said yes.

Commissioner Becht said so his taxes went down about \$200.

Mr. Matischinec said if they make a change, it says.

Commissioner Becht said it says if the proposed budget change is made, which is the budget they are talking about, if they adopt their budget. But their budget is only one of these. There is also the County budget, which he thinks is going to be adopted the way it is proposed here. So his taxes are probably going down \$200, from \$1,500 to \$1,300.

Mr. Matischinec said no, from \$500 since he bought it, taxes went up to \$1,500.

Commissioner Becht asked what did he pay for the property?

Mr. Matischinec said he paid \$71,000.

Commissioner Becht said then he never paid only \$500 in taxes at \$71,000. If he paid \$71,000, his taxes were always going to be more than \$500.

Mayor Pro Tem Coke said that might have been for a portion of the year that he bought it.

Commissioner Becht said his point is, they just lowered his taxes \$200. But Mr. Matischinec is still not happy. So he is not sure what they can do to make him happy. But the good news is, it is not \$1,500, it is \$1,300.

Mr. Matischinec asked what about at the bottom, the \$700? He has to add it to the taxes?

Commissioner Becht said it has County Solid Waste. This is the City Commission, they represent him as his City Commission. But they have no control whatsoever over the County Solid Waste, which is \$170. So he will have to go talk to the County about that, because nobody up here can help him with that.

Mr. Matischinec said so it looks like he is in the wrong place.

Commissioner Becht said because of the decrease in the value of his property and some other changes, his tax bill went down roughly \$200.

Mr. Matischinec said from last year. What about 2005?

Commissioner Becht said he cannot do anything about 2005. All they can do is something about this year. But he will listen to anything Mr. Matischinec has to say.

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

The next item on the Agenda was Consider any proposed amendments to the 2008-2009 Budget.

Mayor Pro Tem Coke asked do they have any proposed amendments to the 2008-2009 Budget?

Commissioner Becht said he does not care to make any budget amendments, but they heard some misinformation earlier. He cannot think of all the Historic Grants they have gotten; but he does know they got a Historic Grant for the Old Post Office, so there has been money brought in for historic grants. If Mr. Weaver, who spoke earlier, will get them some written communication about what his questions were, he thinks they can answer or clarify some of these misunderstandings. Mr. Weaver mentioned \$150,000 in Administrative Expenses. His recollection is that is a transfer of the utility bill out of the Public Works Department and into the Administrative accounting. It is a simple accounting measure. It is more accurate where it is now, rather than in Public Works. So there are some simple explanations to some of the questions Mr. Weaver had that he knows off the top of his head and he is sure the rest of the Commissioner do too. They will try to get those answered for anybody who took the time to go through that fairly lengthy document.

Commissioner Alexander said he is agreeable with that. And he is not going to be proposing any type of changes. But did he understand Mr. Weaver to say they are receiving \$800,000 from the Golf Course?

Mr. David Recor, Deputy City Manger, said Mr. Weaver should have said Solid Waste.

Commissioner Becht said he said Golf Course. That was one of the mistakes.

Commissioner Alexander said that was misinformation, okay. His question is, something that he knows but just making it public, they will be having amendments throughout the year on their budget, right?

City Manager Beach said they normally do a budget amendment at the end of the year. But if there are specific changes, staff will typically bring those back to the Commission for consideration, maybe not in a formal amendment, but certainly for the Commission's authorization.

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.

Mayor Pro Tem Coke said they need to adopt the proposed Millage Rate of 5.4674.

Motion was made by Commissioner Sessions, seconded by Commissioner Becht, to adopt the proposed Millage Rate of 5.4674.

Commissioner Becht said the Millage Rate they are adopting is 5.4674. What was it last year? He wanted to put it on the record. There was the gentleman complaining about his taxes and he is sure that a lot of other folks are concerned about theirs. But the millage rate they are adopting is the same millage rate as was adopted last year.

Ms. Gloria Johnson, Finance Director, said yes, it was the same last year, 5.4674.

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

City Clerk Steele said they need to publicly announce the percentage, if any, by which the millage rate exceeds the roll-back rate.

Mayor Pro Tem Coke said zero.

The next item on the Agenda was Adopt the Tentative 2008-2009 General Fund Budget.

Motion was made by Commissioner Becht, seconded by Commissioner Alexander, to adopt the tentative 2008-2009 General Fund Budget.

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

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 and Sunrise Theatre.

Motion was made by Commissioner Becht, seconded by Commissioner Sessions, to adopted the Operating Plans for the Enterprise Funds - Solid Waste, City Marina, Indian Hills Golf Course, and Sunrise Theatre.

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

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 15, 2008, which begins at 6:30 p.m. in the City Hall, City Commission Meeting Chambers, 100 North U.S. #1, Fort Pierce, Florida.

The next item on the Agenda was City Attorney request advice concerning litigation - Lawsuit filed in Federal Court (West / Alberts vs. City) - concerning overtime at the Sunrise Theatre.

City Attorney Schwerer said this is a public meeting at which time he is requesting, pursuant to Florida Statute 286.011, a private closed door session with the Commission. He needs advice concerning the litigation, some strategies, and litigation expenditures. He will deliver some reports to them and also get some feedback from the Commission. That sessions will take place upstairs (City Manger Conference Room, 3rd Floor) behind closed doors as per Florida Statute. It is his understanding they gave reasonable public notice of the time and place, correct?

City Clerk Steele said it was published in the newspaper this morning.

City Attorney Schwerer said they can adjourn this meeting and they will re-adjourn a public meeting upstairs briefly to open the record, and then they will go behind closed doors.

There being no further business, Mayor Pro Tem Coke declared the meeting adjourned at 5:30 p.m.

Adjournment.

ATTEST:

CITY CLERK

MAYOR PRO TEM

