

MINUTES OF A SPECIAL BUDGET WORKSHOP 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 2:30 P.M. ON WEDNESDAY, AUGUST 10, 2005.

Mayor Benton called the meeting to order.

The Pledge of Allegiance was recited.

Upon Roll Call, those present were: Mayor Robert J. 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 City Commission discussion on proposed 2005-2006 General Fund Budget.

City Manager Beach said he would like to open up with a little description of where they are. They have as part of their Agenda packet, a proposed General Fund budget for the upcoming fiscal year. As directed by the Commission, that is prepared based on a millage levy of 6.9823 which is the roll back rate, as they are all well aware. In order to do that, the current version of it reflects about \$1.4 million from the fund balance in order to balance it. There are approximately six new positions that are authorized in that budget. As it is presented to them today, it is balanced and it is workable. The point of this workshop is to get input from the City Commission on the details and the content of that General Fund budget. They have all the Department Heads and Directors here to go into this in whatever level of detail they need to go into it to make the City Commission comfortable. In addition to the General Fund budget, they have several other financial plans that they have to deal with. It is not his intent today to deal with those except in how they may interact with the General Fund budget. In addition to the General Fund, they have a Marina Fund, Solid Waste Fund, Golf Course Fund, the CDBG Budget, and their CRA operating documents. They have all of those that they will need to work on as they move forward. Neither the CRA budget nor the Golf Course budget are... They are still working on those and still developing data as far as the input. He would like if possible to focus on the General Fund budget today and only look at those other documents as they relate to the General Fund and whether or not it impacts the General Fund.

Commissioner Coke said she understands he doesn't want to get into those subjects in detail; but her concern is that last year they presented and passed a balanced budget, and then a few months into it had to come up with what they had as already a projected shortfall of \$350,000 in one of these other accounts. Her question is, the way she is reading this, when they look at the Marina, Solid Waste, and the Golf Course budget, it appears to her that as opposed to having to take out \$1.4 million from the General Fund budget in order to cover the projected deficits in those three accounts, that they will be taking out an additional \$1.2 million?

City Manager Beach said no, that is not accurate. Again, they can go into those. But what he is saying is, staff is not prepared to deal with those budgets in detail; but they can certainly deal with them in a level that will get everybody comfortable with where they are.

Commissioner Coke said she wasn't asking for details. She is just looking when they have projected revenue and projected expenses on each of those departments, they have a total of another \$1.2 million deficit.

City Manager Beach said the reason for that is that within those budgets they see, they are not reflecting all the revenues available for the operation. He will use the Marina as an example.

Once they back out the depreciation from that column, it will show somewhere in the vicinity of \$500,000 difference between the operating expenses and the revenue generated by the operation. What is not reflected there is that the City has already received some \$500,000 in lost business insurance and they are anticipating another \$1 million, so they have that balanced that way. The Solid Waste budget, there are similar... They do not anticipate transferring any General Fund money to the Solid Waste budget, to the Marina budget, or any of them with the possible exception of the Golf Course. What they may have is an additional \$200,000 that they have to shift to that operation. But they will know that in more detail later.

Commissioner Coke said she brought it up only because she felt that last year somehow she guesses she wasn't as aware as she should have been and they could have knocked her over with a feather when later on she was told they projected that \$350,000 deficit. And she thinks it is very important that they do go ahead with the roll back; but that they all are very aware that they may very well have to dip into that General Fund more than the \$1.4 million according to the figures they have been given.

City Manager Beach said if they do, it will not be toward the Solid Waste fund or the Marina account. He would encourage all of them to maintain some flexibility as it relates to what happens as the year goes along, because they constantly get hit with things they didn't anticipate or they didn't consider as they should have, and that does require some flexibility to make it work.

Mayor Benton said also the Tax Collector's office usually comes through about halfway through the year, they are very conservative. Usually they come out in the plus there too. So hopefully that will be the case again this year. He thinks that is what they are expecting anyway.

City Manager Beach said that is what they are hoping.

Mayor Benton said with property values, he hopes that happens. Do they want to start with the City Commission and work their way through the budget, is that good for everyone?

City Manager Beach said he thinks how they do this is entirely up to the City Commission. He knows that a lot of them have been calling him and have had specific questions that they may or may not have them answered. They can also have the Department Heads discuss their budgets and what they are proposing to do. Any way they want to pursue it.

Mayor Benton said that is what he wants to ask the Commission. Are there items per departments that there could be issues that they want to look at each department; or is everybody happy with it and just has some items they would like to address individually?

Commissioner Coke said she bothered Mr. Beach for several hours the other day with all her questions and she thinks they resolved all of them with the possible exception of one that she would have to ask the Chief about. And she is sure it is just named incorrectly. That is under Police Department, Personal Services, Overtime for grant writing - \$178,000. She knows they are not paying that

overtime, but she is thinking they just did not mean that? It is on Page 32. What actually is \$178,000 for? They are not paying that in overtime are they, for a grants writer? Because if they are, she wants the job.

Chief of Police Eugene Savage said no, they are not. They had to put it there because of the direction they were given, because at the time they didn't have access to the other accounts. That actually covers a number of things. It covers actually personal services and a number of items under personal services. It was put there by the direction of Finance, but it essentially is not overtime.

City Manager Beach said that will be corrected.

Chief Savage said yes, it will be.

Mayor Benton asked in other words, do they want to take this with each Commissioner that has some items that maybe they haven't gotten an answer to yet that they would like to discuss?

Commissioner Coke said that was the only thing she didn't have an answer to.

Mayor Benton said okay, Commissioner Coke is good. What about Commissioner Alexander?

Commissioner Alexander said he is just listening. He will make comments at the end.

Commissioner Becht said he has several questions. They can go through this by Department or they can just do it however they want to do it. He is on Page 8. He doesn't want to micro-manage here, but they have in the City Commission section of their budget, a Commission Chambers upgrade of \$5,000. It is not the dollar amount, but what are they proposing here?

City Manager Beach said they have been talking about upgrading the electronic equipment and the displays they have available.

Commissioner Becht asked audiovisual, is that what they are talking about?

City Manager Beach said audiovisual.

Commissioner Becht said under Line Item 4010 for car allowance, it was at \$15,000, it is going to \$21,000. What is that about?

Commissioner Coke said she asked that question and Mr. Beach told her they got a raise.

Mayor Benton said he takes it they must be giving them an increase in their car allowance for insurance and gas mileage.

City Manager Beach said this is how the figure was plugged in. Right now the Commission is budgeted \$250 a month for car allowance. Their Department Heads get \$350. And whoever prepared this put that figure in here.

Mayor Benton said he thinks with the price of gas in the last year or two since they had an increase, he thinks it probably makes sense, and the cost of insurance. Is that okay with everyone?

Commissioner Alexander said along with that, he noticed with the advertisement (Line Item 4810), not only with the Commission but he saw that with Mr. Beach's office also. They went from \$3,000 to \$15,000. What is that?

City Manager Beach said he is pretty sure the City Clerk's office prepared the budget for the Commission. Would Ms. Steele explain that please?

City Clerk Cassandra Steele said the reason the advertising went up for the City Commission budget was the estimated \$12,000 a year for advertising the Agenda twice a month.

Commissioner Alexander asked that goes into the Commission budget?

City Clerk Steele said it has to go into somebody's.

Commissioner Alexander said when he saw the same reflection in Mr. Beach's office with advertisement, it went up from \$8,500 to \$23,500.

City Manager Beach asked would Ms. Satterlee describe what they are going to do with that account?

Mayor Benton asked isn't that for telling the world what a great job they are doing in Fort Pierce? He sees that on television quite a bit and he thinks she is doing a great job. It is nice to get the word out and he has heard a lot of compliments from people from all over the State, especially who have come here who have seen that. It is nice to pass the word on.

Ms. Anne Satterlee, Assistant Administrator, said in the City Manager's budget under advertising (Line Item 4810), the increase there is to budget for additional web services to keep it updated and looking fresh, and also for their resident survey. As they may recall, several years ago they began doing this about every 18 months. But last year, due to the hurricanes in September, they decided to forego that because they thought it might be just a little bit of a timing issue. So that is budgeted in there and that is why there is an increase in their budget this year.

Commissioner Alexander asked are they working in conjunction with Comcast?

Ms. Satterlee said yes.

Commissioner Alexander asked are they doing a lot of this advertising and getting a lot of these dollars?

Ms. Satterlee said that advertising would be under their CRA budget. The CRA budget handles the commercials they have with Comcast.

Commissioner Becht said that answered the question he was about to ask. Let him go through it since they are just going to go through the whole thing here. City Clerk, let's pick on Ms. Steele, Page 13. This is more explaining to him. She has allocated \$1,200 to legal fees. Could she help him understand what legal fees she has that are not met by the City Attorney?

Ms. Steele said that is for recording of documents in the Courthouse.

Commissioner Becht said so she is not paying an attorney.

Ms. Steele said no. It is for recording costs.

Commissioner Becht said on Page 15 under Human Resources, Line Item 1040, they have overtime of \$3,000 for 2005 estimated goes to \$5,000. Why would someone from Human Resources get overtime? Maybe he doesn't understand what they do.

Ms. Mazella Smith, Director of Human Resources, said the reason for the overtime is that when they have Civil Service hearings, staff has to stay over for that. And sometimes when they do their yearly raises, they require staff would spend additional time after 5:00 p.m. in order to prepare those PA's. So those are the basic reasons for the overtime.

Commissioner Becht said there is \$45,000 for medical services (Line Item 3180). What is that?

Ms. Smith said cost for physicals and things like that. The cost for health care, as they are aware, just jumped up and is increasing every year, so is the cost of physicals.

Commissioner Becht said physicals he understands, but health care would be under insurance or something else.

Ms. Smith said that is what that is for, physicals.

Commissioner Becht asked where do they have physicals done? Under what circumstances does the City have them?

Ms. Smith said new employees. For instance, it is \$180 for police officers and \$135 for a general employee.

Commissioner Becht asked for a blood test?

Ms. Smith said it is more inclusive than that.

Commissioner Becht asked but it is \$200?

Ms. Smith said \$180 per officer and \$135 per general employee.

Commissioner Becht said maybe it is his math and maybe Mr. Bergalis could help him here, but that is like 2,000 drug tests. Is that what they are doing?

Ms. Smith said it is even more than drug tests.

Commissioner Becht said he doesn't mean to sound like he is picky, but it is a pretty large entry and it doesn't appear in anybody else's budget.

Ms. Smith said they are paying for x-rays and other things other than just drug tests included with the physicals.

Commissioner Becht asked why would the City be paying for x-rays?

Mayor Benton asked if somebody gets hurt on the job?

Ms. Smith said before that, when they have an employee and they put on their application... There are certain things that go on that

the City would require a doctor to take an additional look at, so they have to pay for that added cost.

Commissioner Coke asked does she mean prior to hiring someone?

Ms. Smith said prior to hiring, correct.

Commissioner Coke said if they say they have a back problem...

Ms. Smith said yes. They do have full blood tests and different types of x-rays and things like that.

Commissioner Becht said help him here, because the actual in 2004 was \$11,000 and the actual in 2003 is \$13,000 and she is projecting it to go to \$45,000 in 2006. What is going to be different that they are going to pop up three fold?

Ms. Smith said all she knows is, when they get the information back... It is a projection. The cost of health care has gone up and they are having to pay for more added things. That is not to say they are going to spend all that money, but that is a projection.

City Manager Beach asked on the estimated for this fiscal year, the \$45,000, was that taken from some actual experience they have had this year?

Ms. Smith said yes.

City Manager Beach said that would be out of expenses that have been paid in that category.

Ms. Smith said that is correct.

City Manager Beach said they can verify that. To give them an example, he had a doctor send him to a lab for a blood test and they took out one vial of blood and sent him a \$700 bill that he is still arguing with them about. Yes, it can be very costly.

Commissioner Becht said just going up three fold and he didn't understand why the City would have done any medical services, but now he understands.

Ms. Smith said there are different tests they do have to pay for.

Commissioner Becht said she does advertising as well. But that is for new employees and things like that?

Ms. Smith said yes. Advertising has changed since Scripps took over the publication. It used to be that they could put one ad in the paper and it would cover Port St. Lucie and Fort Pierce. Now it is divided such that if they put an ad in the paper, they want it advertised in Fort Pierce and Port St. Lucie, they are talking about two separate ads now. Wherein it would cost them normally, the average ad runs about \$200 or \$300. If they want it in Port St. Lucie and Fort Pierce now, they have to pay \$400 for a \$200 ad. Because the ad for Fort Pierce would cover Fort Pierce and Vero Beach in Indian River County; but if they want it in Port St. Lucie, they have to pay for Port St. Lucie and Martin County. It comes off as an automatic, so it is much more costly now.

Commissioner Nelson asked is Commissioner Becht finished?

Commissioner Becht said he is just going to run through it. He will leave Mr. Bergalis alone.

Commissioner Alexander said with the Finance Department, he just wants to get the okay from Mr. Bergalis. He knows they have a tedious job with the City of Fort Pierce. Has Mr. Bergalis gotten what he needed in his Department, speaking of employees. He knows they went through a thing with the hurricanes and just recently they redid all the carpet and stuff like that and he knows they have to go in there and redo those computers. Do they have ample enough employees in his Department to handle whatever needs they have in an emergency?

Mr. George Bergalis, Finance Director, said he will as usual make do with what he has available to him.

Commissioner Alexander said that is what he has learned in the past. But he is asking up front, is he okay with his Department?

Mr. Bergalis said he is okay.

Commissioner Coke asked he is getting two new people in his Department, isn't he?

Mr. Bergalis said it is being proposed that there are going to be two new people hired.

Commissioner Becht said on Page 20 in Community Services they have the same number of employees from last year to the new year, but they have \$8,000 for office furniture. Again, he is not picking. It is just an observation.

City Manager Beach asked would Commissioner Becht like an explanation?

Commissioner Becht said not unless there is anybody else... They are getting all new equipment. Commissioner Coke is the expert on office equipment. So he is wondering what she thinks she can deliver for \$8,000?

Commissioner Coke said she will make one comment and she won't bring up anybody specific, like Mr. Beach. But when their City staff assumes that a State contract - whether it is in office furniture, supplies, or any other field - is always going to be the least expensive, it is very erroneous. Because a State contract will give them a specific discount and then the vendor is permitted to add on top of that freight, delivery, set-up, and many other things. They have recently noticed that they can buy something from a State contract thinking they are getting a great discount and in all actuality they will be paying two to three times more than what they would have if they had shopped locally.

Mr. Brian O'Connor, Director of Community Services, said that is a good question. They actually do have a staff position budgeted. If they look at the personnel schedule (Page 20), there is funds appropriated for an Administrative Secretary which is very much needed within the Department. They have a Technical Assistant at this point in time providing secretarial duties. She is ably handling that, but that is definitely not her forte; so they will be moving her back to her regular duties as soon as they can get somebody in place. Regarding the office equipment and the computers, he knows his computer had to be replaced. They have

Reggan Ellis and also the Administrative Assistant position would also require a new computer, as they have, he believes to the best of his knowledge, some of the older computer equipment here at City Hall.

Commissioner Becht said if he may just jump in here. They have four people, they had four people, they are moving or replacing one and creating a different position. But they start with four and they end with four, and he has \$8,000. If he divides that by four, each employee is getting \$2,000 worth of office furniture. Now he is probably missing hundreds of thousands of dollars in the budget as they are going through because he is missing the big picture, but that just caught his eye.

Mr. O'Connor said apparently the Secretary and Reggan Ellis are two staff people who are working off of very substandard equipment and those are the people receiving the new office equipment.

Commissioner Becht said he is not talking about computers.

Commissioner Coke said Commissioner Becht's point is valid because they could do like a building for \$15,000.

Commissioner Alexander asked work stations and furniture? That is what he is asking. What is the difference between a desk and a computer station and a work station?

Commissioner Coke said there is a difference. A desk is flat and drawers on either side and a work station has a keyboard shelf.

Mr. O'Connor said the desks are the \$8,000 and the computer equipment is \$7,500.

Commissioner Becht said the \$7,500 for computers, he is not squeaking about that at all. He wishes they had more technology in here because he thinks they can increase productivity with technology. Again, he is probably missing hundreds of thousands of dollars that are falling through the cracks; but the \$8,000 divided by four is \$2,000 per employee. He buys office furniture. Can Mr. O'Connor tell him what he is buying with \$8,000?

Mr. O'Connor said he will have to take a look at it and get back to him. In fact, it is worse than that because it is really only two employees who are receiving new desks.

Commissioner Becht said it is a lot worse.

Mr. O'Connor said admittedly. He will get back to him and let him know details on that. He can't answer it at this point in time.

Commissioner Becht said if he needs it, fine.

Mr. O'Connor said it must be awfully nice equipment.

Mayor Benton asked just for the record, did he put this budget together or was it put together before he came on?

Mr. O'Connor said it was put together before he got here and he was told it was for office equipment. He assumes they probably get the office equipment on a State contract.

Commissioner Coke said good luck with that theory.

Commissioner Alexander asked do they have any surplus?

Mr. Tony Barnes, Director of Purchasing, said no. He thinks what is happening here, CDBG has more than four employees. They have four that are paid out of the General Fund. This is not for just those four employees, this is for the reorganization of the complete second floor that they are going to be doing in conjunction with Mr. Alcorn and his employees.

Commissioner Becht said he likes that explanation, because why would it be allocated just to this. And if it is for CDBG or whatever it is, why can't they take the furniture out of their budget instead of taking it out of the General Budget?

Mr. Barnes said he doesn't know. He didn't prepare the budget. He is just telling them what it is.

Commissioner Becht said he appreciates the explanation. Does it matter which pocket it comes out of?

City Manager Beach said it doesn't matter to him. They are going through a great deal of change on the second floor and that is going to become apparent as they get into some of the other budgets and the other documents. They are adding quite a bit of staff to deal with the building boom that they are experiencing. There is \$10 million that is coming in from two different sources for housing assistance. There is the CRA program. All of that is causing them to propose quite a bit of change on the second floor.

Commissioner Alexander said a couple of City Commission meetings ago, they had an item on the agenda about second floor renovations and it was taken off. Why didn't they discuss that second floor renovation?

City Manager Beach said the contract they had in front of them was an architectural contract for the design of the work on the second floor. The price was somewhere around \$93,000 for the architectural work. They assumed there was a typo on that and they wanted to pull that contract to try to figure that out; and when they did, it was not a typo, that was what was going to be charged to redesign the second floor. What they have done, they have turned that now back to staff and their Public Works Department has put together a proposal to redo that. What they are doing is redoing most of the second floor in order to expand the office availability and so on. The cost of doing that right now is estimated at under \$200,000 for the total job. That is the reason it was pulled off.

Commissioner Alexander asked does that include that furniture and all that?

City Manager Beach said no, that is the construction.

Commissioner Alexander asked why do they need \$200,000 renovation on second floor?

City Manager Beach said they are changing the layout of it to be able to add additional office space and additional work stations. In the Building Department, the CRA, and the Community Development Department, they are going to be adding... The Building Department has already added 20 employees. Is that an accurate statement? They have 20 people running around down there who really don't have

places to work. They are sticking them everywhere they can. They are proposing to add people in the CRA, CDBG, and other programs. And the redoing of the second floor is necessary to accommodate all of those folks.

Mr. David Recor, Deputy City Manager, said it may be a good time to mention to the Commission as well that on an interim basis, they are planning to relocate the Community Response Division to the buildings across the street for free for the rest of the year during construction. So they are trying to minimize those costs. But they are moving forward with that trying to put some cost on that during construction here.

City Manager Beach said when they figure out how they are going to propose the funding of that remodeling, the staff will bring it to the Commission in some detail with what it consists of and how they propose to do it.

Commissioner Becht said on Page 23, Line Item 3140, Contractual Fees. Mr. Beach told him what this is. One of these is the Comprehensive Plan and one of these is Mr. Trias. Is that correct?

City Manager Beach said under contractual planning they have the money proposed for the Comprehensive Plan update as well as a Consulting Agreement with Mr. Trias for some work, both on the plan, but also some specific work on their Architectural Review Board and the Ordinance creating that Board, and a number of staff activities. That contract should be brought to the Commission within the next two weeks.

Commissioner Coke said it is her understanding that the Comp Plan was going to cost the City \$225,000.

City Manager Beach said that is his understanding.

Commissioner Coke said nothing personal, but are they really negotiating \$172,000 contract with Mr. Trias to work part time?

City Manager Beach said no. There are other contractual consulting work that would be in that figure as well.

Commissioner Alexander asked consultants?

City Manager Beach said consulting activity, yes - planners, architects, things of that nature.

Commissioner Becht said Page 28, Police Department. As they have already figured out, he gets confused very readily. But they have actually a line entry for police officers. They are going from 89 to 88? He thought they were increasing the number of officers in this budget. Is that the distinction between funded and unfunded positions?

Chief of Police Eugene Savage said the 89 officers include a grant officer that is not part of their budget. That was a grant given to the Police Department by the Fort Pierce Housing Authority. The actual positions that are funded through the City and this should include the return of, he believes, the five unfunded officer positions.

Commissioner Becht asked so they have funded those now?

Chief Savage said the proposal is to fund those.

City Manager Beach said on that subject, they have proposed the re-funding of those five unfunded positions. If they will notice, there isn't a great change in the amount they had last year and the amount that is proposed next year for those officers. The reason for that is, last year they had the increase for pay included in that line item. This year they do not. That is an important distinction that everybody needs to be aware of in this proposal. They have Teamster's contracts being negotiated and both of their police unions being negotiated. And none of that is covered within this proposed operating plan, for the same reason it never is; and that is, they don't know what it is. The only time they put it in there is when they know what that figure is going to be.

Commissioner Becht said Public Works. He got a sad note yesterday from Mr. Ferch, who is retiring. He is going to be missed.

Mayor Benton said they are not accepting that.

Commissioner Becht said let the man go. He has put in his time and a bit more. When he looked at this, he hates to say it, but he was bothered because the figures for Fleet Maintenance are actually going down. On Page 35, this is the Fleet Maintenance, it goes down from \$326,000 in 2005 and to \$306,000 in 2006. How does he do that? And can he show everybody else how to do it?

Mr. Gary Ferch, Director of Public Works, said he would like to ask the Finance Director to answer that. That line item is not calculated in the Public Works Department.

Mr. George Bergalis, Finance Director, said his only explanation could be that some of these positions are newer than the ones that were there in the previous year, if they have replaced anybody; and hence, they could be starting somebody at a lesser salary than they would have an employee who exited. Without going back under the detail, that would be his only explanation.

Mr. Ferch said he wants to thank Mr. Bergalis for getting his memory going on that. That would be the answer to that. A lot of times through attrition or retirements, salaries do go down; and when they hire a mechanic back in, he doesn't come in at a higher salary than somebody who was working there for ten years or more or whatever. So as the employees leave and come and go, sometimes that would go down.

Commissioner Becht said he is going to give Mr. Ferch his shot. Since he is leaving, does he have everything in here that his people need? Or does he need something that is not addressed in here?

Mr. Ferch asked on his last shot standing up here, can he get about another \$500,000, would that be okay?

Commissioner Becht said tell him what it is for.

Mr. Ferch said give him about half an hour in the hallway, he would come back and would have that for him. He would love to fill the dreams of the Public Works Department for the next 20 years. If he could at least say at this point, what they all need to think of in the next probably four or five years, is that he is a very strong advocate that they have not replaced equipment in many years. He

has been coming in here with a very limited amount of equipment and they can see it again. They are going for a diesel fuel truck which he wishes they would have had this before the hurricanes, because they didn't even have really... He thinks it was a 100-gallon tank they were running around in and that just didn't get it for the generators. To make a long story short, just take into consideration the future, the amount of projects they have coming on line. The Public Works Department manpower, woman power, and people power is so valuable and they just don't have the staff to really keep up with it. He knows the answer is, they cut the Public Works budget down and they kept doing the same work. But they have to do all kinds of things to make that happen and they do it. Right now they don't have a Sheriff's program any more, the Community Service program is pretty much defunct so they are lacking people on that, so they are having to do it through temporary services. But manpower and machinery, keep in mind they haven't come here for a long time. He thinks last year they got a sweeper. But pick-up trucks and stuff like that, they can really see this so they know he is telling the facts on it. Look at some of the line items through the years of what their parts accounts are, what is happening to parts accounts. He is having to feed that every year because the older the equipment gets... They are just feeding a lot of money into parts to keep these things up and in some point it is not worth it to keep feeding parts into them. He is sorry for making that speech, but that is kind of a blanket.

Commissioner Becht asked does he have any bids yet for the security card system for City Hall (Page 37)? Do they think that is going to be covered under the \$30,000?

Mr. Ferch said they don't have bids on that. He sent the memorandum to the City Manager. He is glad they are ahead on that. They put \$30,000 in beforehand. He should say he is going to give the first credit to the young lady that sits up there, Commissioner Coke. She was the first one who started this whole thing with the security. They have been putting that in every year. Then Commissioner Nelson, he will give him the second line of credit for that. At the Commission Retreat last month, he brought it up. But they jumped ahead of everybody hoping that they would consider at least \$30,000 to get this card key system in. Now that Commissioner Nelson brought this up, they are all thinking a little more on security. He has the memorandum with him. He doesn't know if the City Manager wants to address it.

City Manager Beach said it is scheduled for discussion on their August 15th agenda. There is a proposal that has been put together by the Public Works Department and he wants to review that with the Commission on August 15th and set some direction on it.

Commissioner Coke said she has one quick question for Mr. Ferch and she is not talking to him about anything other than this budget. She sees he doesn't have anything budgeted for playground equipment. Does he think there is a figure that with his 31 years experience he could give them that they should be looking toward - if not this year, then in future years - allocating every year for replacement or maintenance on playground equipment? She doesn't want to see their playgrounds get in bad shape.

Mr. Ferch said if they look under the Facilities Maintenance budget, Page 37. Look down in the Capital Outlay Schedule at the fourth column. What they did was, they have playground equipment in there they want to do. He doesn't have specifics on this

because this hasn't been bid yet, but they have addressed and asked the Commission to give them \$50,000. With that, they want to do something that Commissioner Nelson has asked for for many years, Pioneer Park on North 10th Street. He believes he wanted some more equipment in there. They also need to address Rotary Park. Goodwin Park, they lost the whole complete playground there with vandalism a couple of years ago. And South 29th Street Park. So the \$50,000 is kind of...

Commissioner Coke said she looked at the zero underneath. That was her mistake. She is sorry.

Mr. Ferch said but \$50,000 is going to be light. Again, think of the future of that.

Commissioner Coke said they should look to start making that an annual budget allocation.

Mr. Ferch said in the future Public Works is going to be coming to the Commission more he is sure because Federal guidelines on playgrounds and everything changes as the years go by too.

Commissioner Alexander asked with the playgrounds, the lighting, where would that fall under?

Mr. Ferch said they don't have a specific line item for the lighting installation on that. They carry a line item for street light energy. And what they do with that street light energy account is, as a request comes in... Commissioner Alexander made a request and he believes they fulfilled that hopefully.

Commissioner Alexander said he just wants to make sure that is something that is kept up.

Mr. Ferch said what he will do is, as a Commissioner, he will call in to Public Works down there. Bob Hood handles that through his office and he emails the Utilities Authority. Mr. Hood goes out and the Utilities Authority goes out and they check the location of his suggestion of lights and then they e-mail it back and the lights are put in. Public Works usually pays for that out of their own accounts.

Commissioner Alexander said his last question to him, he knows they had a devastation down in his office from the hurricanes, and he doesn't see any office equipment and furnishings. Was that taken care of under insurance?

Mr. Ferch said actually most of the building itself was paid through the insurance. They are very thankful on that to put that back together again. Most of the office equipment there, they are kind of tough people down there. He guesses they brushed it off and brought some steam cleaners in and cleaned up some of the stuff in there, some of their chairs. He is still sitting in his. Water came in the office but it is okay now.

Mayor Benton said they should retire that chair. Mr. Ferch can take it with him.

Mr. Ferch said no, he doesn't want it. He just wants his memories and the pictures, that is all.

Commissioner Alexander said he thanks Mr. Ferch for his input in his life as he has served on this Commission. Take that with him.

Mr. Ferch said before he leaves, he will be seeing a lot of them many more times and he is sure he will shed a tear over it, because it is not a very easy decision to make when his whole career is here. It is very hard, but it is the appropriate decision for family. He thanks them all very much for their support.

Commissioner Becht asked on Page 43, is Mr. Arias shuffling an Engineering Inspector up to a Stormwater Engineer, is that what they are doing here?

Mr. Hector Arias, City Engineer, said they hired the person and he had to leave the position. This is for inspection of projects and they had to make sure that the projects they approved, as those get built, they comply with the NPDES and other regulations. In the past they have projects being approved and built and certified and all that; but then a couple of years later, they just get abandoned, they don't work any more. They need to have that position for professional inspection.

Commissioner Alexander asked they hire from inside, right?

Mr. Arias said they are going to have to advertise inside first and then outside if they don't find one.

Commissioner Alexander asked he let an Engineering Inspector go?

Mr. Arias said the Stormwater Engineer resigned. Also, if they note that in his salary they are saving money because he is running two departments for the price of one.

Commissioner Becht asked have they sent him a thank you note for that yet?

Mr. Arias said yes.

Commissioner Becht said they are hoping that is a temporary assignment. And they are thankful to him for that. On Page 45, Line Item 4985, Taxes & Stormwater Fees. He is too new to understand why the City is paying taxes and the City is paying stormwater fees. Apparently they are going to pay \$1.4 million this year being 2005 and \$2.4 million next year. Can somebody tell him what \$2.4 million is leaving in their coffers for taxes and stormwater fees?

City Manager Beach said one of the things that they encourage everybody to do with these budget sessions is to generate those questions, because this is an opportunity to figure out where all of that is. This is actually the line item where they budget what they pay to the Community Redevelopment Agency. Also, they collect the Stormwater Utility fee and then pay it out of the General Fund into another account. The CRA resources go into the General Fund and then are paid into the CRA account. Can Mr. Bergalis give them more detail than that?

Mr. George Bergalis, Finance Director, said as far as stormwater fees, every piece of property the City owns that has stormwater fees imposed on it, they have to pay. That, in addition to the City's commitment to the CRA based upon its tax increment liability, those two numbers together make up the \$2.4 million.

Commissioner Alexander asked so they are going out and purchasing more property for the City of Fort Pierce? So this is what they have to look forward to?

City Manager Beach said yes. But they are paying themselves. The resources that go out for stormwater utility, they are paying themselves. It is the same as the CRA, they are paying themselves.

Commissioner Alexander asked did he not say this was going to the CRA?

City Manager Beach said yes.

Commissioner Alexander asked how are they paying themselves if they are paying CRA?

City Manager Beach said they are the CRA.

Commissioner Alexander said but they spend the money as they please in the CRA District, not in the City of Fort Pierce as a whole.

City Manager Beach said that is correct.

Commissioner Alexander said so that is more confusing.

Mayor Benton said everybody pays into the CRA, everybody.

Commissioner Becht said he could just clarify this a little bit. On Page 2, Line Item 369 45, Stormwater, they are projecting \$500,000 in revenues in stormwater fees?

Mr. Bergalis said that is the Stormwater Utility program paying back to the General Fund for the services that the General Fund provides to the Stormwater Fund.

Commissioner Becht asked is that the \$500,000?

Mr. Bergalis said monies go in different pockets at different times throughout the year. As the City Manager said, it all stays within the City and it is all used for City purposes, whether it is in the General Fund or the CRA or the Stormwater Fund.

Commissioner Becht said maybe he should make an appointment to see Mr. Bergalis. Is there a line entry he can point to that shows the revenues coming in that correspond to the monies going out?

Mr. Bergalis asked in the Stormwater Program?

Commissioner Becht said yes.

Mr. Bergalis said the Stormwater Program is not included. It is a separate account unto itself, a separate entity unto itself with separate accounting.

Commissioner Becht said so he doesn't have any revenues coming in from the Stormwater because that is a separate tax.

Mr. Bergalis said not in this. The only revenues that are coming in the General Fund that are Stormwater Utility fee related are these revenues which is the Stormwater Program paying back to the General Fund for the services that Engineering, Public Works, or whatever provides to that program.

City Manager Beach said let him try this. If they go back to the \$2.4 million figure, they will find that shows in this line item as an expenditure. There is \$2.4 million worth of revenue in their revenue projections back in the beginning of the document that account for this \$2.4 million. This is a net zero issue, both the \$2.4 million and the \$500,000 issue. Those are accounting issues that Finance Department has to do to keep things legal.

Commissioner Becht said that is what his assumption was, that there is a corresponding revenue stream for the \$2.4 million.

City Manager Beach said there is.

Commissioner Becht said in revenues, there is not a separate line entry for CRA, but that would be under current ad valorem.

Mr. Bergalis said the current revenue stream that supports that \$2.4 million appropriation is essentially any or all of the revenues that are on the revenue side of the budget. There is no specific revenue they can identify that equals the \$2.4 million. It is all the revenues.

Commissioner Becht said but hang on a second. The real estate taxes that come in, a portion of that is what is going to have to be signed over to the CRA. Right?

Mr. Bergalis said not necessarily. The City's commitment to the CRA is based upon the increase in the taxable value of the CRA areas based upon their current millage rate. How they go about making that payment to the CRA, they can take that out of ad valorem revenues, they can take it out of non ad-valorem revenues.

They don't have to identify that ad valorem taxes are being used to pay monies to the CRA as their commitment to it.

Commissioner Becht said right, but somebody simple like him that doesn't understand accounting. He is getting money from the real estate tax base that he could if he wanted to clearly say he is getting, whatever the CRA contribution is, he is getting that from real estate. Is there a corresponding line item entry for stormwater that is also a revenue stream?

Mr. Bergalis said no, because the stormwater fees are not being booked on the so-called revenue side of the budget in the General Fund. Stormwater fees go into a separate fund with a separate accounting.

Commissioner Becht said he thinks he has that point. The stormwater fees the City is paying that are a portion of the \$2.4 million, those are on City-owned properties and the City is taking money from the General Budget to put over into the...

Mr. Bergalis said he has a stack of tax bills from...

Commissioner Becht said the Stormwater District.

Mr. Bergalis said no, from the Tax Collector's Office. The Property Appraiser's office, he should say.

Commissioner Becht said he is scaring himself because he thinks he understands that now.

Mr. Bergalis said the Property Appraiser has on there every property in the City that they own that has stormwater fees imposed on it. He has to go through and has to calculate those, and that is their obligation to pay to the Tax Collector, who then remits that money back to the City to be booked in their Stormwater Utility Fund. Then they take some of that money and transfer it at some point in time throughout the year to the General Fund to pay for the services the General Fund provides to the Stormwater Utility program. It all works.

Commissioner Becht said if Mr. Bergalis keeps talking, he is going to confuse him again. He thinks he understands. On Page 45, Line Item 6410, they have Office Equipment & Machinery for \$150,000. Is this for computers? What is it for? Does anybody know?

Mr. Bergalis said that is funds that were determined they should place in the budget during the year so they can accomplish something which they needed to do for a long time. Rather than the MIS Department spending much of their time going around fixing old equipment, they are going to develop a program. It is much like getting rid of old trucks that aren't worthwhile fixing any more. They are going to try to replace and get some new equipment so that MIS can devote its activities to more productive uses.

Commissioner Becht said he hopes Mr. Bergalis heard him say earlier that he is all in favor of upgrading the computers that makes everybody more productive. So this is computers, is that most of what that is?

Mr. Bergalis said correct. All of it, computer related equipment.

Commissioner Becht said he knows they will all be pleased to hear he is done.

Commissioner Nelson said he is glad to see these youngsters taking over the role that Commissioner Nelson used to take over. It is very helpful and educational. His comments this year are not going to be in the vein of trying to address some of the specific details. But he does note with some concern some of the problems with the high level salaries. And he doesn't see in here the salary and pay study that is needed to address some of these salaries. He is concerned with the fact that they might not be following the Charter with respect to hiring Department Heads and all that and awarding of salaries in excess of \$90,000 and trying to address the needs of their employees on hand to have an opportunity to move up in their respective field. They just had a man who has announced his retirement who came up through the ranks and that is good. He has been a tremendous service to the City. Some of their minorities he thinks has a disparity in pay with respect to other people within their group of employees. What he is saying in effect is they have a glass ceiling they are facing and they ought to be more careful in addressing that because it could come out and haunt them in the future. There are in fact a need for new blood in the organization; but they get a lot of merit out of people who have been here for a long time and they should in fact try to award those people for tenure and competence and pay them accordingly. Finally, he will address the issue of incremental pay raises. Some time they go from \$2,000, \$3,000, up to \$10,000 in some cases for individuals. That has a residual effect, a synergetic effect for the retirement system that forces the employer to in fact have to pay more money upon retirement because they are dealing with that last five years of highest paid

salaries. He would that they not look at themselves so as to be faced with the issue like they did with the 3% multiplier, i.e. the Fire Department did it and everybody else did it and it had a ripple affect. One of their retirement members entity's employers just came in saying they wanted to restructure the retired pay for the last five years of service. When they go with a raise from \$70,000 to \$90,000 over a ten year period and look at the last five, they affect that. He is saying in short and final analysis, they need to look at their pay above the \$90,000 bracket and very definitely have Commission approval for those if they are Department Heads as it is required by the Charter. He is saying look at their last five years of pay and make sure they don't shoot themselves in the foot from a timing standpoint. The current trend is to try to certainly pay people, but use bonuses instead of paying that goes under the annual salary that computes into the retirement system. He had a note about the security upgrades. They have a note saying they are going to take \$30,000 for a screen thing here at the next Commission meeting. He thinks that is good.

Other than that, he wants to commend him for putting a budget together that is balanced. The greatest thing is that adoption of that roll back rate of 6.9823. He thinks that is going to be a great help to the citizens. It is a compliment to him who put this budget together and he appreciates it very much.

Commissioner Alexander said on speaking about the budget, can he go back to the City Attorney. He thinks he asked the City Attorney this question last year when he saw this and raised it about the proposed position budgeted for \$5,000. Was that a City Attorney? What is that? Would he express that again to him?

City Attorney Schwerer said yes, that was Mr. Brennan's position that was phased out in January. That was the previous budget of 2005, that was in there from the October budget. It is phased out in the proposed 2006 budget. And he has moved into that position and then they still have the same assistants below.

Commissioner Alexander said he is not bringing up anything about this, just a question for his information. His understanding is that they don't have a full time attorney. How would he respond to his speaking of a full time attorney as other entities in this community?

City Attorney Schwerer said he is not sure how to address that. They staff that office full time. It is true that they rotate. There are four attorneys - himself, Mr. Walker, Mr. McCain, and Ms. Emerson. They have paralegals on staff. So they staff the office full time.

Commissioner Alexander said in essence, they are staffing it as a firm, not as an individual.

City Attorney Schwerer said no, they have individuals.

Commissioner Alexander said he is speaking of him as the City Attorney.

City Attorney Schwerer said yes.

Commissioner Alexander said okay, because he is looking at the budget proposed for next year. They had three positions and the assistant attorneys for \$88,000 and then proposals for three of the same assistants for \$60,000. What is that?

City Attorney Schwerer said that results from his moving from the Assistant City Attorney position from the 2005 budget up to City Attorney, bringing with that the compensation to the top. The net increase is from the \$93,000 to the \$114,000 level. He is staffing up by bringing Ms. Emerson up to more hours per week and month to handle the overload that they now are facing with the extra workload.

Commissioner Alexander said the assistant they have in hand now, any work he does in legal fees, that is a different pay check or pay period?

City Attorney Schwerer said yes. They develop a budget for the various different services that they provide and the various different boards that they cover.

Commissioner Alexander said his question following up on that is, if he calls to him as a City Commissioner and asks him to do certain things, he has a different charge for the City of Fort Pierce for that?

City Attorney Schwerer said no.

Commissioner Alexander said what he is saying, when the Commission asks him to do things here as a Commission, that is nothing separate? Because he is looking at his salary. How can he survive off that salary unless he gets compensated for other things? Is that over his head, or shouldn't he be asking these questions?

City Attorney Schwerer said they have a budget for legal services for which, depending upon the nature of the work, that is billed to the City. That is covered within the confines of the operating expenses below that.

Commissioner Alexander said okay. That is what he is trying to see, how do they get the legal fees disbursed out among the attorneys they have.

City Attorney Schwerer said yes, that is correct. It could be any number of them.

Commissioner Alexander said so Mr. Schwerer can make \$200,000 a year then.

City Attorney Schwerer said no, he doesn't do that.

Commissioner Alexander said he knows he doesn't, but he could if he did the work.

City Attorney Schwerer said if he could do all that work, he could, yes.

Commissioner Alexander said he wants him to share it.

Mayor Benton said he just has a couple of things. He noticed underneath the Marina's budget, he saw \$10,000 for the police boat. Does that mean they might be able to get a little bit of action out of that boat? There is literally millions and millions more dollars each year in boats around the City and it would be nice if just now and then they could drive by.

Chief Savage said the boat is sunk. That is not a proverbial definition, that is the actual definition, it sunk. And they are trying to recoup the loss through insurances and the salvagers who sunk it.

Mayor Benton said okay, so if they do have the ability, with insurance and \$10,000 maybe they can get it going.

Chief Savage said in conversation with Dean Kubitschek, what he is looking at is appropriating some funding to get a boat; and through insurance and probably through some budget effort on the Police Department's part, they would share that collaboratively.

Mayor Benton said maybe they can go out and try to solicit some of these boat manufacturers to make a donation.

Chief Savage said they plan to do that. Prior to his coming here, that is how they got the other boat, by obtaining some motors, but they plan to do that.

Mayor Benton said they will see what they can do, but he thinks that would be a good idea if they could do it. Just a few hours a week would be nice, if possible, just to show the public because there is a lot of money in boats out there right now in the marinas. The other thing, he spoke to the City Manager and the Deputy City Manager on this item. He would like to see them hire another person. He thinks the City needs a full time grant writer.

That person, he doesn't know what his wages would be, somewhere he would imagine between \$40,000 and \$100,000, he doesn't know. But that person could literally bring in millions of dollars into the City a year and they look at issues. For instance, Community Development Block Grant now is getting into historic preservation, there will be money. He got some information yesterday. The wastewater treatment plant, Public Works, Homeland Security - there is a lot of grant money, literally billions of dollars out there. These just have to be applied for. And it is hard to have one person working part time maybe in the Police Department on this. But if they had one full time salaried person with the City specifically going after this money, he thinks it would bring a lot of money into the City, needed money, and pay for that person's salary many times over. He would like to hear, if Mr. Beach would comment on that or Mr. Recor.

Mr. David Recor, Deputy City Manager, said as he had mentioned to the Mayor and will share with the rest of the Commission, they actually have talked about a grants administrator or a grant position and where that responsibility, that function, should be housed. Right now they have it identified in the CRA budget; but they have tossed around the idea of that position or that function being located in the City Manager's office to work with the individual departments. Because as the Mayor mentioned, there are availability of funds across the board. At least tentatively, the position has been identified in addition to two others in the CRA budget.

City Manager Beach said their CRA budget this year is going to have some pretty comprehensive changes proposed in it and that is going to be a subject of a workshop in and of itself because there are a lot of changes proposed and they would like to go into it in a great level of detail.

Mayor Benton said that is why he would like to see this grant writer work for the City. If this person was working for the CRA, it could be charged to the CRA. But there is just so much funding out there, and he doesn't think this person could work for the CRA and do City work, but it can be done the other way. But there is so much funding with those items he was talking about that they are missing the boat. There are billions of dollars out there.

Mr. Hector Arias, City Engineer, said he would like to add to that. It is not only the grant amount, but it is to maintain the grant once they get it. Just getting one grant would pay his or her salary two times at least. Then the ones they prepare, the administrative fees that they use to get the grant, are also paid by the grant. He thinks it is overdue. It is true, there are millions of dollars for streets and stormwater and public works and everything. They just don't have the time to do it; and if they have the time to apply for the grant, they don't have time to maintain it. That is a big problem.

Mayor Benton said right. If they have to take an individual out who is working on staff for this, it would be nice to have an expert. Because when he sees the money that has been spent around this Country on Homeland Security that had nothing to do with security, but anything that happens, there is grant money out there. He just thinks it would be in their favor to get going on that.

Commissioner Alexander asked could the Mayor explain how could they have a full time City employee that is funded by the CRA?

Mayor Benton said that is what he means, they couldn't have... What they could have is a full time City employee; but if he did work and applied for grants for the CRA, the time he used would be charged to the CRA.

Commissioner Alexander said the administration charge would be to the CRA.

Mayor Benton said right. He wouldn't want it the other way around. Because to him, they are limited with the CRA, what a grant writer could do; but with the City, every department they have could get grants. Does everybody agree that would be a good idea? That staff could move on with that, because he really thinks it is very important.

Commissioner Becht said he would like to hear back from Mr. Beach on that, because he thought they had talked about it last year. But his recollection, which is fuzzy, is that Mr. Beach had polled the various departments and they felt like they would rather write the grants themselves than have somebody outside writing the grants.

City Manager Beach said he thinks that was probably two years ago. They actually did get the Department Heads together specifically to talk about that. And at that time two years ago the Police Department had a grants writer on board and the Engineering Department had people they felt very competent for doing grant writing. But he is in agreement with somebody focusing on this on a full time basis.

Commissioner Becht said he is all for it.

Commissioner Alexander asked on that same note, for the past two years, how many grants have been awarded to the City of Fort Pierce?

City Manager Beach said they have had several. Patti Tobin brought in several grants. The Engineering Department has brought in quite a few as well. But he believes the Mayor is right. He thinks there is more out there; and if they have somebody focusing on that, they will be able to take advantage of it.

Commissioner Alexander asked will they be able to incorporate that into this budget this year?

City Manager Beach said yes.

Mayor Benton asked could he see a hand from their Department Heads of everybody who would agree that they need a grant writer and they would like to work with a grant writer? Okay. He just wants to say thank you to all the Department Heads and their staff and the City Manager. Several months ago when he spoke with a lot of them, they knew it was going to be a tough year, but they really needed to send a message to the public and to the business community to try to reach that roll back rate. Never in his wildest dreams after that budget workshop did he think they were going to get there, but they did. And he wants to thank the Commission and everybody because he thinks they sent a message out. He was very proud today when he met with the Treasure Coast League of Local Governments and stood up and said they lowered their millage rate more than anybody in this room. The question was, how did they do it? Especially the Mayor of Stuart, who had a very difficult time down there because they are raising their taxes about 50% and they have less than \$500,000 in their reserve. So hopefully Fort Pierce is on track here. Thank you very much.

There being no further business, Mayor Benton declared the meeting adjourned at 3:45 p.m.

Adjournment.

ATTEST:

CITY CLERK

MAYOR COMMISSIONER