

**FINANCE AND BUDGET REVIEW COMMITTEE
MINUTES**

**Monday, July 13, 2009
1:00 PM**

Call to Order

Roll Call

**Present: John Philips, Sr., Joanne Melodayo, John Samorajzyk, Peter Uebelhoer,
Thomas Gadacz**

Also Present:

**Elaine Trehy – Finance Director
Theresa McMaster – City Clerk
Mike Bonfield – City Manager**

1. Old Business

Ms. Trehy presented a list of possible savings to the city for discussion; this had been mentioned in the previous meeting.

The issue of an increase in usage fees will be addressed when the designated committee members meet with their department directors.

A discussion was held on the hourly rate charged for off-duty policemen and firemen at \$43.00/hour and if the city's expenses are being covered. This will be looked at again by staff.

The Beach Goes Pops funding is in the current budget at \$15,965 under the City Manager's Budget, Other Expenses. This is free to the public and the city does not collect any money. The city pays for the orchestra and the stage. Charitable Contributions will be discussed when going through the budgets. The committee would like to know what charitable organizations get money. Staff will provide a report.

Joint police enforcement with TI or South Pasadena, staff had no information.

Contracting out police enforcement with the Sheriff would save approximately \$1.5M. Contracting out fire service, based on what Madeira Beach's saving would be, is \$250K. Reducing Library hours of operation: If reduced 8 hours it would save a full time position \$43K; if reduced 4 hours a week it would save \$14K.

At the Recreation Center, a reduction of 8 hours of operation would save \$42K, 4 hours would save \$15-\$16K; there would be some loss of revenue associated with this.

Deferring the vehicle replacement plan for one year would save about \$240K. As far as millage, the maximum increase with no referendum is 3.3494, an increase of .973 mills. A majority vote is 3.0449 which is an increase of .6685 mills and the roll back rate for 2010 is going to be 2.6714, which is an increase of .295 mills. Half of the maximum millage increase that would require no referendum would be 2.8629. There was a question about a 5% reduction in work hours. Citywide savings would be \$350K, but that includes police and fire, with non-emergency personnel, \$180K in savings.

The increase in wastewater and reclaimed water rates: There is, in this budget, an increase built in of 7.5% starting in January 2010 for wastewater. A reclaimed rate study is underway. A storm water fee study is being looked into.

The elimination of the Police Chief and Fire Chief and hiring one Public Safety Director would not be a lot of savings. The Fire Ops Commander position is being eliminated January 31 and this will become the Fire Chief position.

Replacing vehicles with low mileage: If large vehicles are not bought, the savings could be \$5K on the cost, plus additional fuel savings.

Lighting on Gulf Blvd, staff had no information.

This completed the list requested by the committee for staff to look into.

2. New Business

a. Approval of minutes - A motion was made, seconded and unanimously approved.

b. Establishment of Procedure to record budget recommendations - To be done by a vote of the committee and noting those in dissention.

c. Discussion of Revenues - The budget received was out of balance by \$473,450; expenditures were over revenues in the General Fund. Ad valorem will increase \$12,982; the electric utility tax will increase \$20K.

On the Revenue side: Lower Building Permits to \$230K; Fire Inspection Fees \$25K was budgeted and we are way below that, suggest reducing by \$17K. Reduction in Sales Tax, the State revised the figures. We have to reduce the original projection by about \$30K. Good news on the EMS funding, about \$188K more than what is in the original budget. Reduction in after school fees because of the closing of Gulf Beach Elementary, about \$25K.

On the Expenditures side: Use the \$100K in reserves for the vehicle replacement plan. The County, through the EMS agreement, is not funding ALS engine replacement. With all adjustments made, the City is about \$200K short.

Will the proposed increase in hurricane insurance have an impact on us? No notification from our insurance has been received regarding an increase. Our insurance runs April 1 thru March 30.

d. Discussion of the Police Department Budget (Joanne Melodayo) – Personnel loss in various divisions was explained. Currently, the department is working on a CHRP grant which is an economic stimulus program that will provide wages for up to three years with specific provisions to be met by the city.

For cost cutting, the chief has mandated training of staff with an agreement with St. Pete College. The training instructor will come to the Police building reducing the cost of classroom charges, normally \$250-\$300.

There will be a savings in training opportunities through the Institute of Police Technology and Management in the Florida Department of Law Enforcement. The dispatch room is working on a non-matching grant of \$160K to transfer from Analog to Digital. A dispatcher will be hired to staff the room 24/7; to rely on overtime would not be cost effective. Overtime costs are largely due to court appearances. Vehicle replacement is budgeted at \$102,500 which includes a future vehicle replacement of \$37,500. Fuel is budgeted at \$49,400 for 2010. Operating Supplies are budgeted at \$40K and may need to be increased to \$55K since merchants' fees associated with credit card payments for parking meters are higher than expected. Reimbursement for overtime for off-duty officers at \$43.00/hour was said to be sufficient; however, it was suggested that \$70.00/hour would be more realistic.

We seriously have to look at contracting out services for the Police and Fire Departments.

A discussion was held on vehicle replacement. The replacement of \$102,500 will be put off for another year.

The recommendations are:

1. Review of extra duty rates for police and fire officers. Motion made and seconded. Vote carried.

2. Delay of vehicle replacement reserve plan city-wide and to leave \$100K in reserves. Motion made and seconded. Vote carried.

3. Increasing police operating supplies by \$15K, from \$40K to \$55K. Motion made and seconded. Vote carried.

4. Look at long range cost savings of contracting with the Pinellas County Sheriff's Department. Motion made and seconded. Vote 4-1.

e. Discussion of the Fire Department Budget (Peter Uebelhoer) - A handout was passed around for items to be discussed. In Mr. Uebelhoer's opinion, ninety-five percent of the budget is non-controllable costs. Further reduction in personnel is not recommended other than what is already in the budget.

Facility maintenance is a controllable cost. The previous four year period averaged \$4307; it was suggested that this be cut in half. R&M equipment is a controllable cost and there may be room for a reduction. In the controllable items, there is a net reduction

of expenses. Other than these two possible changes, Mr. Uebelhoer suggested that the budget be accepted as is.

Mr. Bonfield explained the Facility Maintenance budget and R&M equipment; most is fixed and is not discretionary.

Vehicle replacement was discussed earlier with no vehicle replacement in next year's budget.

A motion was made and seconded that the budget be approved with items mentioned. Vote carried.

Mr. Bonfield commented on the EMS budget. On-going issues about fire department costs, consolidations, etc. are being looked at by the County. Senator Long has contacted the budget group in Tallahassee to do a study for consolidation of Fire and EMS in Pinellas County. The State will be looking at this next year. The County is having a lot of issues with the EMS funding, and we have been cut. The County Commission in the next month or two is going to authorize their own consolidation study for Pinellas County Fire and EMS. While this is happening, it probably does not make much sense for us to do much in the next year. The County can impose a county-wide tax for Fire. If we elect not to be in it, we still pay the tax.

The Fire Chief spoke regarding R&M on the vehicles and how costly it is when they break. The contract with the county provides ALS engines which will get a lot more wear and tear going out on rescue and fire calls. Transporting is provided by Sunstar; rescue wagons will be done away with. Fire apparatus will be used for 100% of the EMS calls which will increase R&M repairs.

The City is still having discussions with the County over funding of the ALS engine. They don't want to fund the equipment. They pay for the employees, but not for the equipment used to get them to where they are going.

The Police Chief commented on the impact of having a contract with the Sheriff who is an elected official vs. the local police department and to keep in mind the Chain of Command for local control. The Sheriff answers to all of the citizens of Pinellas County.

A motion was made and seconded to accept the budget as presented, subject to adjustment for the vehicle replacement plan and maintain funding (\$8333) for the command vehicle. Vote carried.

f. Discussion of City Commission Budget (Thomas Gadacz) - Changes were noted in the Professional Contractual category from \$30,000 to \$65,000 which represented funding for lobbyists. The city has received funding from activities by the lobbyists which far exceeds the costs of salaries.

It was noted by Mr. Bonfield that the \$30,000 was for one-half of the year. A commitment has been made in the neighborhood of \$180,000 for engineering for the City's improvement of Blind Pass Road between 75th and Gulf Blvd. Four projects are going through the appropriations process in Washington.

Charitable Contributions and Other Expenses were explained. There was no recommendation to alter or make suggestions for changes.

A motion was made and seconded to approve the budget as presented. Vote carried.

g. Discussion of City Clerk Budget (Thomas Gadacz) – Personnel was discussed with no changes. The budget was mentioned with an overall decrease of 3.1%. There was a question regarding the difference in retirement projections, this is not a fixed cost because of the General Employees Pension Plan. If a special election was held that could have an impact on the budget.

A motion was made and seconded to approve the budget as presented. Vote carried.

h. Discussion of the City Manager Budget (John Samorajzyk) – Personnel will remain the same. There was a reduction in People Cost of 2.5%; Operational Costs were reduced by 49.4%; some transfers from Capital Outlay were made. The overall departmental budget was reduced by 11.3%. Potential cuts in personnel would impair operations of the office. The cost of \$2,360 for maintaining the postage meter was discussed.

A motion was made and seconded to approve the budget as presented. Vote carried.

i. Discussion of the City Attorney Budget (John Samorajzyk) - The legal entwinements now are dealing with appeals. The relationship with Brian Miller and Olive for legal services is a satisfactory one; basic services to them is \$65K. The extra legal fees is hard to get around, estimated at \$200K. Ms. Trehy mentioned that through June 2009, we are at \$242K. A discussion followed regarding the costs of litigation.

Mr. Bonfield explained the Administrative Law Judge's procedures.

A motion was made and seconded to approve the budget including \$200K for legal expenses. The vote was 4-1.

3. Other Business

The committee requested a distribution list of monies. Staff will provide a list.

AUDIENCE COMMENTS

Bob Manning 200 First Avenue – Complimented staff and the committee on the good job that was done today. Last year he was unsuccessful in supporting to have the millage increased. From a political point of view there is a lot of emphasis on cutting; we should be looking more at the revenue side by raising the millage or better usage of the Community Center. In his opinion, we should focus on what is needed not wanted.

NEXT MEETING

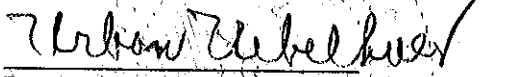
The committee will convene tomorrow at 1:00 p.m. July 14, 2009.

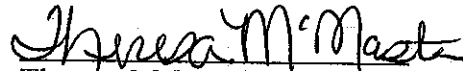
ADJOURNMENT

The meeting adjourned at 3:00 p.m.

If a person decided to appeal any decision made at this hearing, they will need a record of the proceeding and, for such purpose, may need to ensure that a verbatim record of the proceeding is made, which record includes the testimony and evidence upon which the appeal is to be based.

Attest:


Peter Uebelhoer, Chairman
URBAN


Theresa McMaster, City Clerk

NOTICE OF MEETING

**Finance and Budget Review Committee
Tuesday, July 14, 2009 at 1:00 PM**

**Commission Chambers at City Hall
155 Corey Avenue
St. Pete Beach, Florida**

FINANCE & BUDGET REVIEW COMMITTEE AGENDA

Call to Order

Roll Call

1. New Business

- a. Approval of minutes
- b. Discussion of the Public Services Administration Budget
- c. Discussion of the Building Maintenance Budget
- d. Discussion of the Streets Budget
- e. Discussion of the Recreation Budget
- f. Discussion of the Parks Budget
- g. Discussion of the Wastewater Budget
- h. Discussion of the Reclaimed Water Budget
- i. Discussion of Capital Improvement Projects
- j. Discussion of Vehicle Replacement Plan
- k. Discussion of the Finance Budget
- l. Discussion of the Library Budget
- m. Discussion of the Information Technology Budget
- n. Discussion of the Planning Budget
- o. Discussion of the Building Services Budget

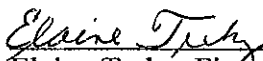
2. Other Business

Motion to adjourn

The public is cordially invited to attend.

In accordance with the Americans with Disabilities Act and F.S. 286.26, persons with disabilities needing special accommodation to participate in this proceeding should contact Ed Pickhardt at (727) 363-9243 no later than four (4) days prior to the proceeding for assistance.

If a person decides to appeal any decision made at this hearing, they will need a record of the proceedings and, for such purpose, may need to ensure that a verbatim record of the proceedings is made, which record includes the testimony and evidence upon which the appeal is to be based.


Elaine Trehy, Finance Director