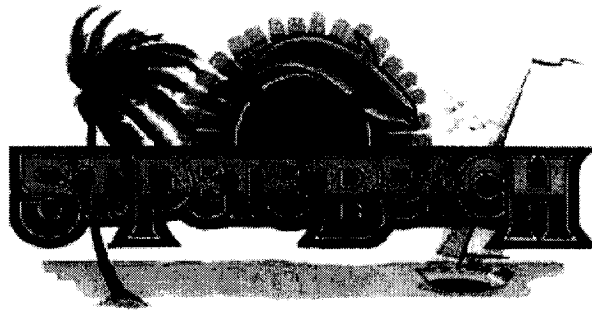




**Finance & Budget Review Committee
Meeting**

155 Corey Avenue

**7/8/2010
2:00 P.M.**

**Call to Order
Pledge of Allegiance
Roll Call**

REGULAR MEETING

- 1. Changes to the Agenda**
- 2. Audience Comments**
- 3. Approval of Minutes**
 - a. None**
- 4. Action Items**
 - a. None**
- 5. Items for Discussion**
 - a. Discussion of Information Technology Budget**
 - b. Discussion of Public Service Administration Budget**
 - c. Discussion of Building Maintenance Division Budget**
 - d. Discussion of Streets Division Budget**
 - e. Discussion of Parks Division Budget**
 - f. Discussion of Recreation Division Budget**
 - g. Discussion of Wastewater Division**
 - h. Discussion of Reclaimed Water Division Budget**
 - i. Discussion of Stormwater Division Budget**
 - j. Discussion of Capital Improvement Plan**
 - k. Discussion of Vehicle Replacement Plan**
- 6. Reports**
- 7. Adjournment**

APPEALS

If a person decides to appeal any decision made at this Meeting, they will need a record of the proceeding and, for such purpose, may need to ensure that a verbatim record of Meeting is made, which record includes the testimony and evidence upon which the appeal is to be based. (F.S. 286.0105) the city does not furnish verbatim transcripts; interested parties should make the necessary arrangements for verbatim transcripts.

Agenda Material is available for review at City Hall on the Friday preceding the Meeting. In accordance with the American's with disabilities Act and F.S. 286.26, persons with disabilities needing special accommodations to participate in this Meeting should contact Connie Kest at (727) 363-9243 no later than four (4) days prior to the Meeting for assistance.

FINANCE & BUDGET REVIEW COMMITTEE

MINUTES

July 8, 2010

CALL TO ORDER

The Meeting was called to order by Chairman Pete Uebelhoer at 2:00 pm.

PLEDGE OF ALLEGIANCE

ROLL CALL

PRESENT

John Phillips, Sr.
Joanne Melodayo
John Samorajczyk
Thomas Gadacz
Pete Uebelhoer, Chairman

ALSO PRESENT

Mike Bonfield, City Manager
Elaine Edmunds, Finance Director
Chief Tom Malone, Fire Department
Steve Hallock, Director of Administrative Services
Theresa McMaster, City Clerk
Donald Burkhardt, Director of IT

1. Changes to the Agenda

None

2. Audience Comments

None

3. Approval of Minutes

None

4. Action Items

None

5. Items for Discussion

Chairman Uebelhoer asked Elaine Edmunds if she had any matters to discuss with the Board. She had prepared and handed to the Board a summary of the recommendations made at the Meeting yesterday, April 7, 2010.

Ms. Edmunds advised the Board that there are two changes in revenues, one is ad valorem which is \$40,000 more than what was listed in the budget and the other is telecommunications tax which is down about \$70,000 to \$80,000 from what is shown in the budget. She contacted Ken Small at Florida League of Cities and inquired as to why there is a reduction and he had no explanation and said they may have just made a mistake in the estimate.

Chairman Uebelhoer then asked Tom Gadacz to continue where he left off on the previous day and he stated that he was finished. The Board went on to discuss the remaining items on the agenda from their July 7, 2010 Meeting.

h. Finance Division Budget

Dr. Phillips advised the Board that he had talked to the employees of the Finance Department and one of the things that he looks for when talking to a person is do they have an air of self assurance, in other words, do they feel good about what they are saying. With Elaine that was no problem and he felt that her self assurance passed down into her Department.

Dr. Phillips went on to discuss the Police Department employee that is being moved to the Finance Department with Elaine and she explained that he has almost three positions, he handles the grants; he also oversees parking enforcement and will be getting more involved in city wide purchasing particularly large items. If the need arises, he will be involved in completing FEMA paperwork and assist Elaine with audit and analysis of various revenue streams. He will also oversee some of the City leases for Merry Pier and Upham Beach.

Chairman Uebelhoer asked Elaine what the City's return was on parking tickets. She advised the total budget for parking enforcement is \$328,000; revenue from the pay station is \$906,000; parking ticket revenue is another \$70,000.

Ms. Edmunds said they also monitor time sheets for payroll.

A motion was made to recommend approval of the Finance Division Budget for 2011 as presented. The motion was seconded and unanimously approved.

i. Library Division Budget

Dr. Phillips reported that the City has a new Librarian and there was a little confusion before the vacant position was filled. Ms. Edmunds said they would like to be re-open on Monday and need to hire another part-time person to accomplish that. The salary would be approximately \$10,400. By re-opening on Monday, they will close earlier on Saturday. Dr. Phillips feels that the Library needs more people in that department than any other department. One problem that exists is the wear and tear on computers. The computers are free and most of the people using them are people who can't afford to pay.

Energy cost has not gone down since the purchase of the new air conditioner; it has gone up. Steve Hallock stated that he has had an energy audit done and he just spoke to another company who will do one as well.

There was a question about parking fees; the Library has to pay for parking for some employees. Another question was the cost of maintenance and purchase of furniture.

A motion was made to recommend approval of the Library Division Budget for 2011 as presented and in addition, add sufficient funds in the area of salaries in the amount of \$10,400 in order to stay open on Monday. The motion was seconded and unanimously approved.

j. Parking Enforcement Division Budget

The only question that was raised was the overtime and basically it had to do with Holiday staffing, the \$2,575 for meter readers. The revenue that is generated by those functions, is well worth the overtime.

A motion was made to recommend approval of the Parking Enforcement Division Budget for 2011 as presented. The motion was seconded and unanimously approved.

I. Fire Department Budget

Pete Uebelhoer met with the new Chief who will be leaving shortly. He advised that he is trying to get his Department well equipped, well trained and in shape to turn over to his successor with minimum effort. The biggest problem in the Fire Department is people cost, primarily retirement. Salaries are up \$18,000 but other wages are down 33% and overtime is down, so that actual payments to the fire personnel are \$15,000 less in the next budget from the average of the past four years. Again, they are back to the problem they were discussing earlier; the pension costs are compounding much more rapidly as the rate of pay increases. Pete Uebelhoer stated that he hopes to discuss this issue more later and that the Committee make a recommendation to the Commission that we really look into the City's pension costs.

The Chief explained that there is no particular employee who any longer carries on any community service work. The Chief and the Fire Marshall do a lot of that on their own time. That is a problem that the Committee may have to resolve in future years.

Another major item for the Fire Department is whether the fuel provision is adequate at \$2.50 a gallon. They also discussed the facility's maintenance and there is work that needs to be done at Station 23. Station 22 hasn't had any renovations or overhaul or upgrading for some twenty years and sooner or later the Committee will have to think about what kind of facilities are available for the Fire Department, whether it's rebuilding or refurbishing the two Stations or building one centrally. Elaine Edmunds advised the Committee there are provisions in the budget for Station 22 improvements in the Capital Improvement Plan in the amount of \$400,000 in 2014 for engineering and \$2 million in 2015. This money would come out of the Capital Improvement Plan Budget.

Chief Malone was asked if he thought it would be better to restructure it under one central or two separate facilities. Can they cover the City from one central station; he would say yes. It will extend response times to the far north and far south ends of the City if they do that. They did a study and checked on insurance impact to some of the commercial areas and found that it would not significantly impact them. The Chief's main concern is on the EMS side where minutes count.

A motion was made to recommend approval of the Fire Department Budget for 2011 as presented. The motion was seconded and unanimously approved.

Chairman Uebelhoer announced that they would now move to the next Agenda Item for this Meeting.

a. Information Technology Budget

Dr. Phillips presented a report on Information Technology and asked if there were be a slower response with just two people left in the Department. Donald Burkhardt reported that his Department was cut by one-third and it would take some time to adjust. Mr. Gadacz stated that they had talked about half life

on machines and asked if it was more adaptable to add on or improve it or just to get rid of it. He asked Mr. Burkhardt how he felt about that and he stated that it depends on the computer. The Library computers are old computers and they are not able to upgrade but would have to replace them. Some computers, such as the ones in Finance, are able to be upgraded.

Mr. Burkhardt was asked if some of the things that are required for desk tops are covered by a service contract. He responded that there are some companies out

there that provide that service but the City doesn't have anything in their contractual services that they can use for that.

A motion was made to recommend approval of the Information Technology Budget for 2011 as reviewed. The motion was seconded and unanimously approved.

b. Public Service Administration Budget

John Samorajczyk reported that the City eliminated the Contract Grant Administrator and the Utility & Permit Administrator positions and they will be replaced with one CIP Construction Manager which will give the City a savings of approximately \$83,000. The new CIP Construction Manager is to be hired.

Public Services budget includes \$400,000 for bus service; other items that were looked at presented no problems or questions.

Mr. Samorajczyk announced that they could expect to see an item on the November county ballot to adopt a one cent sales tax for transit and public transportation. The county would eliminate the current PSTA millage, which St. Pete Beach currently doesn't pay, and put all those services under a sales tax, thereby eliminating that dollar amount from the City's budget.

Chairman Uebelhoer remarked to Steve Hallock that he noticed their retirement budget is budgeted at 33½% which is pretty high. He asked if there was any specific reason for that. Mr. Hallock responded that it's 33½% of payroll for employees in the General Employees Plan, that's uniform across the board.

A motion was made to recommend approval of the Public Service Administration Budget for 2011 as presented. The motion was seconded and unanimously approved.

c. Building Maintenance Division Budget

John Samorajczyk reported that there is a slight increase in the budget. Liability again, fuel is budgeted at \$2.50 per gallon and there is some re-allocation of expenses as there have been in other departments.

A motion was made to recommend approval of the Building Maintenance Division Budget for 2011 as presented. The motion was seconded and unanimously approved.

d. Streets Division Budget

John Samorajczyk reported that this budget is down 8% this year. There is a vehicle replacement, a new bucket truck, as our existing bucket truck is sixteen

years old, and it would be a payment of \$35,000 on a lease. Mr. Samorajczyk supports the bucket truck replacement.

One item on this budget that may need discussion is holiday decorations. The Commission asked about giving an estimate and Ms. Melodayo proposed that they put this item back in the budget. Mr. Samorajczyk stated that if they have the money, and they are not cutting services from somebody else, we should put in holiday decorations. The Commission also wanted to add another \$10,000 to fireworks. Mr. Samorajczyk believes the Committee should consider it.

Steve Hallock added that it was his decision to cut the holiday decorations; the City was spending between \$30,000 and \$40,000 which almost pays for a full time person all year around. The money is not in the proposed budget to pay for holiday decorations so it has to come from someplace else. His department cannot absorb that kind of expenditure; they have to identify where that money is coming from.

Mr. Samorajczyk asked if there had been any input from businesses to support this. Most of the comments were from residents.

Chairman Uebelhoer stated that fireworks and Christmas decorations are "nice", not "necessary". If they can find the money fine, but they should not raise taxes just to have fireworks or Christmas decorations. Right now there is \$15,000 in Steve's budget which is not enough for a display in 2011. There is no money in the budget for Christmas decorations. If they can find the money without cutting elsewhere, go ahead and do it, but if they don't find the money, don't do it.

Mr. Samorajczyk reminded the Committee that if they get the Christmas decorations, they have to commit for three years. Fireworks can be cancelled at any time.

A motion was made to recommend approval of the Streets Division Budget for 2011 as presented, and also recommend that the City have fireworks and/or holiday decorations only if money is available and does not impact any other public service or personnel, and no tax increase. The motion was seconded and unanimously approved.

e. Parks Division Budget

Mr. Samorajczyk announced that they had some re-allocations and asked Mr. Hallock why the water cost went up from \$1300 to \$14,070. Mr. Hallock responded that was because they started charging themselves for wastewater.

Mr. Samorajczyk stated that they are not going to trim the "Washingtonians" again, even though it was one of the items on the Commission "Wish List".

These are the very tall palm trees in Pass-A-Grille along the main street, Pass-A-Grille Way.

A motion was made to recommend approval of the Parks Division Budget for 2011 as presented, *without* trimming the Washingtonians as they have in the past. The motion was seconded and unanimously approved.

f. Recreation Division Budget

Mr. Samorajczyk stated that the budget is down \$70,000; it's not a money maker for the City but there have been some re-allocations with things like electricity and insurance. They are running more programs now which are bringing in more income and the response has been good to the programs. Mr. Hallock stated that when the City lost Gulf Beaches Elementary School they took a huge hit because they lost all the after-school children, which was a major impact on this budget. Total revenue from programs and rentals was \$337,200 for the year.

A motion was made to recommend approval of the Recreation Division Budget for 2011 as presented. The motion was seconded and unanimously approved.

g. Wastewater Division Budget

Mr. Samorajczyk reported that the general fund will be paid in four years and they are still looking at some possible liabilities in their sub-aquious pipeline. Mr. Hallock reported that they have just completed a survey and an exterior analysis of that and will probably go back to the Commission with an update at the end of July.

A motion was made to recommend approval of the Wastewater Division Budget for 2011 as presented. The motion was seconded and unanimously approved.

h. Reclaimed Water Division Budget

Mr. Samorajczyk reported that the Reclaimed Water Division will be in the "black" by 2012. Ms. Melodayo commented that with the adoption of the new rate, they had budgeted \$613,765 for revenue from reclaimed water charges; it's actually going to be \$656,355. So the revenue side of this will be increasing \$42,590 based on the new rate.

A motion was made to recommend approval of the Reclaimed Water Division Budget for 2011 as presented. The motion was seconded and unanimously approved.

i. Stormwater Division Budget

Mr. Samorajczyk remarked that one item seems to be a little bit high and that's postage in the amount of \$10,715. Mr. Hallock reported that they have to do a direct mailing to every property owner in the City and that's a true number based on the last time it was done a few months ago to notify residents of the special assessment.

Ms. Melodayo asked how long the special assessment was in effect. Mr. Hallock stated that it will remain in effect until November of 2010.

A motion was made to recommend approval of the Stormwater Division Budget for 2011 as presented. The motion was seconded and unanimously approved.

j. Capital Improvement Plan

On the Capital Improvement Plan, Ms. Melodayo asked Mr. Bonfield about the \$195,000 for the Egan Park land purchase, what is that, is that an additional \$195,000. Mr. Bonfield replied that sum is a payment to the Florida Land Trust. That is the second of four payments.

Chairman Uebelhoer asked Steve Hallock about the street rehabilitation, how much improvement of the street is that or is it just routine maintenance. Mr. Hallock stated that because of budget restraints, he is very confident this will be major street projects, i.e. reconstruction, milling the asphalt, replacing the asphalt and when the new CIP Construction Manager is hired, he or she and Steve will work together to prioritize the project.

After discussion, a motion was made to recommend approval of the Capital Improvement Plan for 2011 as presented. The motion was seconded and unanimously approved.

k. Vehicle Replacement Plan

Chairman Uebelhoer asked Mr. Bonfield about his proposal for a systematic vehicle replacement fund. Mr. Samorajczyk thought if they had to make up and cut the budget this year, he thought one of the first places to look was vehicle replacement. It doesn't look like we will have to do that this year.

Chairman Uebelhoer stated that he thought the Vehicle Replacement Plan is a good thing. If the City has to make any specific vehicle replacement, he thinks that it should be a part of the Vehicle Replacement Plan and that they initiate it for subsequent years, actually implement it for subsequent years.

Chairman Uebelhoer stated there is, in the Capital Improvement Budget as part of the Vehicle Replacement Plan, \$25,000 for replacement for the Fire Marshall

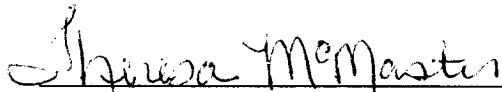
vehicle which is ten years old. That's something he feels needs to be done and that's part of the Vehicle Replacement Fund.

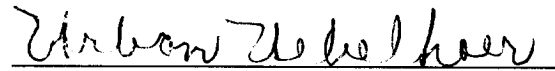
The Committee commenced discussion of the current millage plan. Tom Gadacz spoke in favor of a small millage increase; Joanne Melodayo doesn't feel that the City needs an increase at this time; Dr. Phillips is in favor of an increase, perhaps limited to the coming year; Chairman Uebelhoer stated that the Commission is going to have to face up to the fact they cannot afford the benefits that are being accorded to the police and firemen at this time without some substantial increase in rates/taxes. The Commission is currently waiting for the actuarial study that was ordered a while ago.

Chairman Uebelhoer suggested that each member of this Committee meet with their individual Commissioner to express their feelings about this situation. The Committee cannot offer specific recommendations until the actuarial study is done.

It is the recommendation of this Committee that the City Commission not increase nor decrease the millage rate at this time but to recognize, based on pension obligations, a millage increase may be necessary.

A motion was made that the Meeting be adjourned. The motion was seconded and unanimously approved.


Theresa McMaster, City Clerk


Urban Uebelhoer, Chairman

Minutes approved on: 8-23-2010