

A workshop meeting of the City Commission was held on June 25, 2009 at 6:00 p.m. in the Commission Chambers at the Municipal Administration Building. The meeting was called to order by Mayor L. Jack Van Sickle.

COMMISSIONERS PRESENT: Lee A. Wheeler, III; Terrye Y. Howell; John Paul Rogers; Mayor L. Jack Van Sickle.

COMMISSIONERS ABSENT: Jonathan Thornhill.

CITY REPRESENTATIVES PRESENT: Anthony G. Otte, City Manager; Albert C. Galloway, Jr., City Attorney; Judith H. Delmar, Asst. City Manager; Clara VanBlargan, City Clerk.

Agenda Item 1. Budget Discussion

In preparation of the FY-09'10 budget, the Commission reviewed the FY-08'09 Operating Budget that was adopted 9/16/08, and a handout called, "Budget Summary – City of Lake Wales – Fiscal Year 2008-2009." that was distributed to the City Commission before the meeting.

Mr. Otte said that the preparation of the budget for the next fiscal year is going to be extremely difficult given the two waves of tax reform that the City has been through, coupled with the economic downturn. There will be a number of difficult decisions that the Commission will have to make and citizen input is always welcome, but even more so during this difficult budget period.

Ms. Delmar provided an update on the preparation of the budget. She said she got all the budget requests from the various departments and that information has been keyed into the budget template. The department heads were told to expect about 10% less revenue next year than what was received this year, and that their budget requests must be conservative in nature to reflect that. In the past, at this point, we have had about a \$2 million gap between revenues that were on the up swing in budget requests. This year, our gap between revenues and expenditures was solely due to the fact that revenues are down. We got the State revenues posted yesterday. The estimates from the State are coupled with the ad valorem tax revenue based on preliminary taxable value supplied by the Property Appraisers office. We should get the final estimate for our preliminary taxable value on June 30. At this point, between State revenues and property taxes, we are looking at a shortfall between revenues and budget requests of \$590,944 in the General Fund. It is going to be very difficult for us to go forward without some strong guidance from the Commission, as to what they see as priorities for funding.

Mayor Van Sickle suggested going through the budget department by department giving direction as to what needs cutting or what needs to stay. Commission Howell said we might not have to do that if the Commissioners made notes on specific things that they would like to discuss.

Commissioner Wheeler said the obvious target is cultural and recreational expenditures, which is an area that could sustain bigger hits than others. Ms. Delmar said that would be Recreation Facilities.

Recreation Facilities

Mayor Van Sickle said that we are spending \$3,000 to \$5,000 a year for lights at the ball fields. It looks like ball games may have to go to daylight hours only. The hours of operation at the gym may also have to be reduced to cut costs. Overall, a lot of money is being spent to keep things open that we may not have for this year.

Commissioner Wheeler said we need to quickly make a decision and contact all the organizations that use the ball fields, such as Little League, and let them know that they need to have more fundraisers. Mayor Van Sickle said we have to consider these things because we cannot cut the services that we need.

Mr. Otte said we have an ongoing reuse project that we have been looking at because it is important for us to expand our very small reuse system for a number of reasons. One of the things that we are exploring right now is bringing a reuse water line from the south side of SR60 to cross SR60 and then around to the Sports Complex on Lakeshore Blvd. There is \$25,000 budgeted for the little league irrigation and then another \$3,000 for Kiwanis Park. The use of reuse water would greatly reduce the potable water rates. We have a line of credit that has been in place for some time that is due to expire on September 30. We are looking to see what it would cost to put the reuse project together and plan for that. The Finance Director verified that as long as we have a specific project in mind and we are committed to moving ahead, we could draw down the funding before finishing and use that money toward the project as we go. That project would also improve our negotiations with the Water Management District for the renewal of our water use permit, because we would be directly reducing the water consumption at that complex by about 12 million gallons a year. Mayor Van Sickle said that might be something we could look at in the near term. But, in reality, we are actually just transferring the money from somewhere else in this first year. Then, next year if we go in debt for that it will not really help us. Mr. Otte said it will take a while to get the lines in to expand our reuse system, but it will make it possible to move the system into other neighborhoods. Mayor Van Sickle said it would give us a step up to get rid of the potable and use reuse water.

Mayor Van Sickle said that in Recreation Facilities we are spending \$234,690 on operating cost. He said that is a lot of money to have ball games etc. Ms. Delmar said that amount does not reflect what we pay for mowing. We contract out the mowing for the little league field at an annual cost of \$60,000. Commissioner Howell added that the City purchased the tractor so the contractor could mow and maintain the field, and the City pays \$20,000 for the electricity and \$25,000 for the irrigation. Mr. Otte said that is Bermuda grass that is difficult to maintain and it looks nice. Commissioner Howell said it should be for \$60,000.

Mayor Van Sickle said we have to reduce the cost of electricity in all our facilities. Commissioner Wheeler said we have to think about energy conservation more now than we have in the past. In the General Fund, we spend \$206,000 every year on electricity alone. He suggested contacting Progress Energy to do an energy evaluation. Mayor Van Sickle said he has been in several buildings where the air conditioner was going full force and the doors were held open. Ms. Delmar said we currently receive about \$10,000 in rental fees for the James P. Austin Community Center that offset some of that cost. Mayor Van Sickle said this could be an area where we can say to the people using our services or individual buildings that the electricity has been reduced by 25% and that they would be responsible for any additional usage. Ms. Delmar said she does not know if the contract for the soccer field was ever formalized or ever implemented, but we set up a system for tracking average usage for the soccer field and the little league field. Anything over the average is subtracted from our payment to them. She said she does not know any results of that. Mayor Van Sickle said we have to reduce the amount given to the different leagues etc. and encourage them to generate some more income on their own because the City cannot afford to do this. It is not fair that all of the citizens have to pay the cost of them using those services.

Commissioner Wheeler said he read somewhere that money can be saved just by turning computers off in the evening. Ms. Delmar said she also read that. The plug would have to be disconnected from the wall in order for it to stop drawing current. It works the same way on any appliance that is pulling some base level of current.

OPENED TO PUBLIC COMMENT

Robert Gibson, 811 S. First Street, suggested the use of timers for the lights and the use of energy efficient light bulbs. Ms. Delmar said timers have been installed at the soccer field and maybe at north field, but she was not sure about the little league field. Mr. Otte said he does not think a timer was installed at the little league field, but he does think that the provision for the average cost is supposed to take care of it when lights are left on. Police Chief Gillis said there are timers at the little league field that are too easy for people to turn back on. Commissioner Wheeler suggested contacting the little league groups, soccer groups, etc. to ask them to schedule as many events as possible during the day.

CLOSED TO PUBLIC COMMENT

Commissioner Howell asked about the \$3,000 budgeted for maintenance and repair of the athletic fields. Ms. Delmar said that Little League only takes care of routine maintenance and the City pays for any extraordinary maintenance. The \$3,000 expenditure is primarily for north field and the soccer field.

Commissioner Howell asked about the \$10,000 budgeted for the maintenance of playground equipment. Ms. Delmar said that money is to repair and replace playground equipment.

Mayor Van Sickle said he thinks the Commission is saying that Recreation Facilities is an area where we need to drastically cut costs. We do not want to cut costs in this area, but it is not cutting services that are required. Commissioner Wheeler said we have to find ways to conserve wherever we can.

Mayor Van Sickle said that we have facilities that we pay other people to run, and the costs to do that are getting very expensive. It is getting to a point where we may also have to cut costs in that area as well, but he is not sure of what to do there. The hours of operation may have to be decreased. Ms. Delmar said that in the current year's budget the management for the gym and the Depot is in Recreation Services. The management contract for the gym was amended since the budget was adopted because we anticipated that they were going to pay for the utilities, etc. As it turned out, we just funded the employee to keep it open. In the first budget amendment for this fiscal year, the amount that was budgeted for the management of the gym was reduced from \$32,000 to \$15,312. The City is paying all of the utilities and maintenance cost on that building. Mr. Otte said if he remembers correctly, the electricity cost for the gym is \$1,000 a month.

Commissioner Rogers said he has not been to the gym lately, but he understands there is a lot of vandalism going on there. Mr. Otte said that occurs in the weight room. Commissioner Rogers said if that continues we might have to close the doors to the gym, which could result in about a \$34,000 to \$35,000 savings. Commissioner Howell asked who is supposed to be watching the weight room. Mr. Otte said because the building has two floors it is hard to be in two places at one time. Changes need to be implemented downstairs for an alarm to go off if somebody tries to go out the back door etc. Commissioner Rogers said he could not see spending a lot of money for people not to appreciate it. Mr. Otte said there is no accountability for using the facility. At the very least, we could keep a roster of who is coming in and out of the building. Commissioner Howell said someone needed to talk to the Boys and Girls Club to see if they could do something about the problem. If not, the City needs to do something. Mr. Otte said staff would get with them on that.

Required Services

Commissioner Rogers said his priorities are water and sewer, and that police and fire services are #1 on his list. He said that he does not want to see any City employees laid off because most of the departments are short handed already.

Commissioner Wheeler said a lot of companies are saying to their employees that they could either lay off 10% of them or decrease their pay by 10%. Mayor Van Sickle said that should be the very least thing we do.

Fleet Maintenance

Mayor Van Sickle said another area we need to look at is Fleet Maintenance. He asked if it was more cost effective for us to have a fleet maintenance department or if it would be smarter to contract with a local dealer for vehicle and equipment maintenance. He said we started a process of purchasing newer cars with some of the three-year warrantee left on them. Currently, we are buying and stocking parts. The outsourcing of vehicle and equipment maintenance would be quicker and more economical instead of our mechanics trying to be experts. Commissioner Rogers asked the Mayor if he wanted to get rid of only the preventative maintenance program or the whole garage. Mayor Van Sickle said the whole garage. Mr.

Otte said he is willing to do whatever the Commission directs. He said he has looked at that in the past in another town and found that there is no way a dealer was cheaper than having good mechanics. Right now, the garage is functioning better than it has in the past since he has been here. He would think that a review is going to find that a dealer is not going to be more cost effective unless there are some selective areas that the garage cannot do. If we stock anything, it is limited. Ms. Delmar said we stock items like oil filters, air filters, and wiper blades. Commissioner Wheeler said there is, however, a great deal of facility costs. In this economic environment, dealers are probably willing to cut all kinds of deals to keep their departments fully turning. This is an opportunity to look at doing it this year and next year.

Commissioner Howell asked about the allocated line items in Fleet. Ms. Delmar said that is the costs of running Fleet, which is allocated to the departments that use it. It is just tracking the actual cost.

General Fund Transfer Out

Commissioner Wheeler said that Utilities is a separate fund, but it does make a dividend going in to the General Fund. He asked about the \$400,000 transfer out from the Utility Fund to the General Fund. Ms. Delmar explained that is a General Fund transfer out. It is debt service that balances various budgets. Commissioner Wheeler asked if that is a typical amount. Ms. Delmar said that amount this year is the same as it was last year. Mr. Otte said philosophically, he would like to keep that amount low and have each Fund pay for itself as much as possible.

Operating Costs

Commissioner Howell said she looked at the amounts in the Operating – Office Supply account for each department. She noticed that the amount is larger in some departments than others. Some are truly down to the bare bone, especially the administrative office, and to ask them to cut back 10% would be impossible. We are cutting back on some departments and giving too much to other departments. It looks like the larger departments are cutting back on operational cost but adding what they cut back on other things. In reality, they are not giving anything up. She asked that it be looked into.

Grants & Aids

Mayor Wheeler said that in the past we have cut out all but one or two grants in the current budget. Unfortunately, we might have to do the same thing for this budget. One of the grants that we did give this year that he would like to continue giving is to the Senior Center. Leo Lyttle, chairman of the Lake Wales Senior Center, said that they are trying their best to stretch the \$6,000 given to them by the City and to earn additional money. He said right now they are struggling to complete this year, and through sales, they hope to do it. They have made effort to save money by cutting A/C power, lights etc. Mayor Van Sickle said that during the Marti Gras Festival the Senior Center ran a booth trying to generate income.

Allocation of Utilities

Mayor Van Sickle asked the procedure for allocating electricity and other utilities for the Municipal Administration Bldg. Ms. Delmar explained that it is the result of a square footage formula based on occupancy, which is allocated out of the general government function determined by the State.

Draw Down of Special Revenue Funds

Commissioner Wheeler said according to the hand-out, in the Special Revenue Funds the changes in reserves are down \$2.1 million. Ms. Delmar said that is basically the draw-down. There are two things reflected in that draw-down: the remainder of the CRA bond proceeds and a \$980,000 plus expenditure that is budgeted, whether or not we actually spend it for the Grand Hotel. We have been carrying funds forward for use in Lincoln Avenue revitalization and the downtown economic revitalization that is tied into the Grand Hotel. Commissioner Wheeler asked if that means we have money allocated for the Grand Hotel. Ms. Delmar explained that we have been carrying money forward for revitalization and it has been tagged "as available" for that project. Mr. Otte explained that the Lincoln Avenue revitalization started out

with \$400,000 and we spent about \$12,000 for architectural renderings of some of the buildings, which the focus there is on the Walker building. The Green & Gold Foundation is putting together a package and working with our consultant, Linda Kimbrough, to redo that building and to take over it. A large part of the money that we keep carrying forward will end up going toward the Walker building when they are ready to move forward on that. The money for the downtown that is associated with the redevelopment of the Grand Hotel is to follow the study for the downtown as recommended by the CRA Steering Committee. We are now close to a deal with our selected buyer of the Grand Hotel and hopefully we will bring something back to the Commission following up on that. Then, other monies to revitalize the area around that hotel will come in to play. Commissioner Wheeler asked how much money is associated with the Grand Hotel. Ms. Delmar said \$976,712. Commissioner Wheeler said if we were to use that money for some other purpose it would kill the deal. Ms. Delmar said she can't answer that, but it can only be used within the CRA area. We cannot have an undesignated balance in the CRA. The statute requires that the money be allocated for a specific purpose or it goes back to the taxing authority. So, we designated the money for that development effort. Harold Gallup, Economic Development Director, said the monies that are being discussed are those monies that could be invested on other public properties in the area of the hotel. The hotel deal, as it stands today, has no public monies going into the building or any of the other related activities required to bring that building back to its use. That doesn't mean we have an opportunity to do something spectacular that the monies may or may not be used for. But, for the structure itself, that is not happening. Commissioner Wheeler said the CRA area covers over half the town. Ms. Delmar said that is correct. It covers three quarters of the town. We are constrained by the CRA plan and what is specified there.

Ms. Delmar pointed out that the draw-downs on the hand-out show a positive number because the Utilities Department has not yet given her their capital budget. So, there may be some capital expense in year one that we will have to fund in the Utilities budget. The hand-out shows operating only.

CRA Fund vs. General Fund

Commissioner Wheeler asked if there is something that we have been spending General Fund money on that is eligible for CRA fund use. Mr. Otte said for the past few years, we used CRA funds for items that previously had been in the General Fund, such as Code Enforcement and the cops unit, which consist of three police officers dedicated to policing a specific area within the CRA. Ms. Delmar said we use CRA funding for Main Street and economic development. Mr. Gallup said one of the areas of question that we may or may not have been using for going forward has to do with green space and parks and recreation elements that are conducive to the overall community. Mr. Otte said for a couple of years now we used CRA funds to resurface streets where in the past it was done using the General Fund.

Landscaping Project – US Hwy. 27

Mayor Van Sickle said the landscaping project along US Hwy. 27 sounds like a great thing because the State is paying for that, but now our lawn cutters now have eight miles of road that they have to maintain. We either need to hire more people or not except the grant. Mr. Otte said staff is double-checking the contract to verify that because it would take at least one full-time person to maintain that area. Mayor Van Sickle said he doesn't think we could hire another person to cut grass. Mr. Otte said before we use those funds we will bring that back to the Commission.

CRA Budget Preparation

Commissioner Wheeler asked when the CRA budget gets put together. Ms. Delmar said at the same time as this budget. Mr. Otte said the CRA is a part of the city budget book.

1919 School Building

Commissioner Rogers asked the status of the 1919 building budget. Mr. Otte said we have one grant left and next year's budget doesn't have the match that we have in this year's budget because we do not have another grant waiting out there in the wings to match. We have grant funds and a grant match for

this year that we are going to finish out the work that we know of and then after that he does not know of any other grants on the horizon. He said that, as in the past, we could just close up the building until we get another grant or get funding from donors. He said that he and the Mayor had lunch with an arts facility representative today in Lakeland to try to strategize going forward with it.

Mayor Van Sickle said initially there are two grants, #621 and #801, the latest grant we have had for about a year. We got a letter from the State saying that if we didn't use the funds by July the money would be called back to Tallahassee unless we ask for an extension. He said that he thought the direction from a past Commission meeting was that we wanted to see Semco's proposal for the first floor and how we were going to use Grant #621, the dollars that were there and the dollars we did not have to complete that one, and then the proposal for Grant #801. Then today, he got something saying that we had already gotten an extension of those funds, which he did not think that we were asking for. As tight as the budget is and with the issues we have with the CRA budget, we would be smarter to take part of that \$300,000 match that we currently have in the budget and use it to seal the building to make sure it is not going to deteriorate and replace all the rotten wood on the windows. That will take about \$50,000 to \$60,000 to do. We could put the rest of the money back in the CRA fund to use for CRA projects because we are not going to get grants for continue the work on that building. Commissioner Rogers said he remembers discussing that a few meetings ago, but he does not remember any details about it. Mayor Van Sickle said the minutes might have to be pulled and discussed at the next workshop. He said we have to economize and cut down on every avenue we can, and, in his mind, the 1919 school building is the least important things that we need to be worrying about. Mr. Otte said the direction that he took away with at that meeting and implemented is to use the funds from the current grant to buy the Lexan to put on the building. He said Lexan has been put over the windows on three sides, but he is not sure about the fourth side, which is the east side. As far as the next grant, we directed the contractor to go back and get some more quotes and bring those back to the Commission. Mr. Otte said the last he heard is that the contractor is in the process of doing that, but he has not brought anything to us. Mayor Van Sickle said that in the last grant, the money used for Lexan was part of the grant task. There was about \$63,000 in State money that had not been used along with a \$93,000 match that we were due. He is not sure we got any of that money to use because apparently the money is not there. Mayor Van Sickle said we had at least \$100,000 left in the old grant that he hopes we did not spend on other stuff. We should have money from Grant #621 still out there to do work. Mr. Otte said we do have some of the money and some of it has already been spent on the Lexan. As far as the \$93,000, the last he heard is that the State has forgiven that although there was a commitment from the Director of the Historic Society to provide at least \$40,000 of that. Mayor Van Sickle said it is making the Commission look foolish because we sign up with the State to do things that we never do. We told the State that we were going to have "x" amount of dollars to go with their match. Mr. Otte said it is up to the Historic Society, who pledged to provide it. He said that the State let us off the hook, so he doesn't feel any embarrassment or any impediment to go after the money. The money was pledged and we demanded it. Mr. Otte said he sits at the direction of the Commission, so if the Commission would like for him to do more than send a demand letter he will be happy to do it. Mayor Van Sickle said he is not asking to send more than a demand letter because they are saying that they do not have the money. However, it seems like if you go back on all of the efforts that we have had with the grants there seems to be a whole lot of confusion. He said that he spent probably one weekend going through a lot of back minutes of Commission meetings, grants, etc. to try and piece all that together. It does not look like it was done very well and it seems like we are not doing the things that we should be doing. He said that he is not saying that we, the City, did something this time, but again we said to the State that we had so much grant money owed to us and it fell through. Mr. Otte said the organization that said they were going to provide the money then said they were not going to provide the money. We demanded it, but the State pardoned the Historic Society from having to pay it. Commissioner Wheeler said there is a reason for that. Some grants involve donated funds from the public and the State is obligated to spend it at the direction of the donors. This whole project has been such a weaving road going on and on.

Commissioner Rogers said the next work that we have done on that building he would like for it to go out to bid. He is not satisfied with telling a contractor that we have \$600,000 and then ask him to do the work for that amount of money. Commissioner Rogers said he would like for us to come up with a plan, figure out what it is going to cost, and put it out to bid. He said he is not saying anything bad about Semco. It is

not good business, and having been in the contracting business he could say that would be a sweetheart of a deal if somebody turned something like that over to him. Commissioner Rogers said he does not think we have exercised proper judgment in this. Commissioner Wheeler said he thinks that Semco has been kind of treating us like a red-headed step-child by doing everything else first. How many years have we put up with them say that they are going to do something then nothing gets done? He said he likes the guy but... Commissioner Rogers said he thinks that they have us down for being easy. We need to get on a business like level whenever we are dealing with the money of other folks. Mr. Otte said he would be happy to explore going into a different direction. We have been in the direction of having a construction manager, which he believes perfectly fits our situation with starting and stopping and keeping the liability steady with one contractor, but we could explore going in a different direction. Mayor Van Sickle said if we pull those City funds back we may be in a stop mode now. We just have to make sure that building is protected so it doesn't deteriorate.

Commissioner Rogers said we have incurred some water damage in the building, but City staff has stopped most of the water from coming in from the roof, but there is some blowing in under the doors. He said that he noticed in one of the grants that it said we had electrical work done but the only thing he found was conduit and there was no wire in the conduit. Without seeing the specs he cannot say what went on, but just pulling conduit doesn't constitute wiring the building. They did have some panel boxes up but he saw no evidence of any wiring at all. Commissioner Wheeler said he agrees that we should get a lot more than what we are seeing.

Overtime Hours

Mayor Van Sickle said he saw where we had a lot of overtime in the Police Department and he does understand that there will be times where we will need over time. But, somewhere in the budget he saw where we budgeted about \$140,000 to \$150,000 in overtime. He asked if that is an indication that we may be short of policemen. Ms. Delmar said yes. We have a lot of parades and Holidays. As soon as we go on a Holiday that shift basically gets overtime rates. On the day of a parade, off duty police officers usually have to come in and control the traffic. Mayor Van Sickle asked if those funds are coming out of the General Fund or from the people who are actually paying for the parade. Mr. Otte said that is city support for a civic activity. Ms. Delmar said we may not be staffed as much we need to be, but when we have people on vacations, on medical leave, on maternity leave, family leave, military leave etc. all of those things generate overtime because we have to fill those hours. Commissioner Wheeler asked if it is cheaper to hire a police officer or is it cheaper to pay the overtime. Ms. Delmar said if we hire another employee then we have all the new benefit cost as well. Mayor Van Sickle said \$140,000 would pay for at least two police officers plus benefits. Police Chief Gillis said that he is feeling a little bit more confident now that they are getting that taken care of because people who were out for injury etc. are back at work. He said his Department is about to the point where they are going to be almost at 100% staffing of patrol, which is where they have not been at since 2006. But, some of the overtime is due to required law enforcement training, etc., and now that the Lake Wales Branch Courthouse is closed they are generating three hours of overtime just going to Bartow. He said at times, they have an entire shift of on-duty officers that have to go to court and a whole shift of off-duty officers have to come in and cover for them, which generates a large amount of overtime. We are at the mercy of the court system on that. To cut down on some of the overtime for training, we are doing most of it in house, which saves about 40 hours annually per officer. FDLE is coming up with some online courses, so instead of having to bring in an entire shift of officers for training they are doing it in house. That has cut down overtime for training by at least 60%. There is some training that cannot be done on line. Commissioner Howell asked how many officers staff one shift. Chief Gillis said six, which includes the Sergeant. He said there is always at least four working.

Library Fund

Mayor Van Sickle asked if all of the Library comes out of the General Fund. Ms. Delmar said the Library has dedicated millage. Back when the Library was established in the early 1950's there was a special referendum and as part of that referendum there was a dedication of up to one mill for Library purposes. It is not at the level of one mill, it is more like .8 mills by the time you take out the CRA and the Rollback. They also get about a \$230,000 contribution from the Polk County Library Cooperative (PCLC) which is

allocated by the Board of County Commissioners. So, they have that funding. The Books by Mail is separate. That is a separate contract with the PCLC to provide that service and that has its own funding that we have nothing to do with.

Mr. Otte explained that in order to get county funds for the Library we have to be a member of the Polk County Library Cooperative. To be a member we have to open our doors to everybody in the county, which we have a tremendous amount of people coming into the Library. Ms. Delmar said that the average was \$15,615 per month in FY-07'08.

Certifications

Mayor Van Sickle said we have employees who have to maintain a certification for their position. If we can possibly do it, he thinks the City should be paying for those certifications. Ms. Delmar said we need to put the certifications back in. We've got one department that submitted a budget for \$200 worth of training and \$5,000 worth of lodging and meals. That is something we have an issue with.

Focus of the New Budget

Mayor Van Sickle said what he thinks he is hearing from the Commissioners is that we want staff to focus on cultural and recreation for the amount they need. Commissioner Howell added focusing on the operating supplies etc. of meaty departments. She said moving money around is not cutting back.

Commissioner Wheeler said we need to cut back on energy costs. He asked to have Progress Energy do an energy audit. Mr. Otte said he would ask them to do that. Mayor Van Sickle said we need to educate our people, such as when the air conditioner is running, the doors need to be shut.

Mr. Otte said he would bring back a report on the 1919 school building regarding what is left to do in the current grant and what is expected to be done in the next grant, and end the discussion based on going in a different direction with the contractor or going with a different contractor. Mayor Van Sickle said he has a feeling that when we start getting into the CRA budget we are going to need some of that \$300,000 to make that building water tight. We have to do that to meet the requirements of the State that we are maintaining what they have given money for. That is the only place he can see where we are going to find the dollars although we are going to be short anyway. We need to be looking at infrastructure instead of trying to get this building up. Hopefully, we can get a group that will share funding for it and a purpose for it like we were trying to do today.

OPENED TO PUBLIC COMMENT

Ruth Dampier, 154 S. Lakeshore Blvd., said the grass is beautiful at the Municipal Administration Bldg. and asked if the irrigation is on a timer. Ms. Delmar said she believes there is a timer. Mayor Van Sickle said he knows there is a timer near the memorial in front of the building. Ms. Dampier said she hopes that the timer is set to go off at 2:00 a.m. Mayor Van Sickle said that is a bad time. From 4:00 a.m. to 6:00 a.m. is a better time.

Ms. Dampier said she attended a Code Enforcement meeting and in talking to them, she found that the City forecloses on property due to unpaid Code Enforcement liens. She asked what happens to the property once it is foreclosed on, and if the City sells the property and puts the money back in the General Fund. Mr. Otte said in the last couple of years, the City sold three lots to the Green and Gold Foundation. The Walker property that he spoke of earlier was closed on along with the Grand Hotel due to unpaid Code Enforcement Liens and we are in the process of trying to convey them to somebody because personally he does not want the City to own any of those properties. Instead, he would like to put them back into productive use and on the tax rolls. He said he would check to see if we have foreclosed on any property that we haven't put on the list to put back in public or private hands. Ms. Dampier asked if we have to carry insurance on properties that we foreclose on. Mr. Otte said he cannot think of a specific insurance bill for the Grand Hotel for example.

Jack Neal, 435 E. Central Avenue, said we have a great fire department and they do a good job, but they do a lot of PR work for PR stuff that cost us money and we don't get anything back for it. He said he has seen the fire trucks out on Sunday mornings at restaurants for breakfast and at schools to squirt water on the kids. It cost just as much money to run that truck out there as it does to fight a fire, and it puts that much more wear and tear on the truck. Mr. Otte said we have to instruct our children, because we found that children are afraid of somebody who looks like a spaceman, and to let kids know what to do in case of a fire. Part of that is an educational process that is essential to the Fire Department's mission. He would not want to cut out our firefighters going to our schools to tell our children what to do in case of a fire, and he does not call that PR. Fire Chief Brown said he cannot even begin to say how many requests they get to take the fire trucks to day cares and preschools to spray the kids with water. We never say no. Anytime somebody has a grand opening they want us to have a fire truck there to show the kids the truck. We sometimes get a chance to open the doors on the trucks and show our community what they are buying. But, it cost just as much money to drive the truck to Home Depot or to Lowes for a grand opening or something else as it does for a fire. We may have to look at those things. These are tough times, but we certainly don't want to cut it out unless we have to. The guys do take the truck to breakfast on Sundays and that is something that has to be looked at. Commissioner Howell said she is very happy that the truck is brought to the schools. She understand what Mr. Neal is saying, but it is very educational and does help a child from fearing people that is all covered up coming to their house. The Sheriff Department also does a lot of things for the kids and the kids like that, and she personally would like them to continue doing that. Chief Brown thanked Commissioner Howell for her comments. He said that Mr. Neal is correct because those things do cost money. Those times might change but he hopes that they haven't yet.

CLOSED TO PUBLIC COMMENTS

Closing

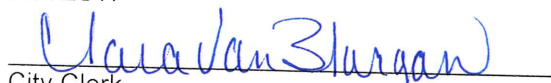
Mr. Otte said we expect to get the final preliminary number for our tax base on June 30 and then in the month of July we will be putting together the final draft of the budget to give to the Commission at the end of July or early August. There will be an important Commission meeting on July 21 with two other elements of this process: the independent audit report for the last fiscal year and a financial forecast that Ms. Pendergrass and Ms. Delmar will present. He said the financial forecast is something that we have been looking at to help with sustainability, which is important through the next few years. We don't want to do something that is just going to get us over the hump for this year. Instead, we want to smooth that process out and look ahead several years. During the month of August there will be special meetings to discuss the budget and then the budget will be adopted in September. He said that because the Mayor will be out of town the first week of September we might have to change the normal adoption dates for September. If we are going to do that, we have to do it ahead of time to meet certain advertisement requirements. Mayor Van Sickle said he will be out of State for his daughter's wedding the first week of September and he plans to return on September 8.

There being no further business, the meeting was adjourned.



Mayor/Commissioner

ATTEST:



City Clerk