

A budget workshop meeting of the City Commission was held on August 1, 2012 at 4:30 p.m. in the Commission Chamber at the Municipal Administration Building. The meeting was called to order by Mayor Michael S. Carter.

COMMISSIONERS PRESENT: Christopher Lutton; Betty Wojcik; Jonathan Thornhill; Terry Y. Howell; Mayor Michael S. Carter;

COMMISSIONERS ABSENT: None

CITY REPRESENTATIVES PRESENT: Terry Leary, City Manager; Clara VanBlargan, City Clerk; Jacquie Hawkins, Deputy City Clerk

[Meetings are recorded but not transcribed verbatim]

Agenda Item 2. Part 2 – General Fund Budget Topic Discussions [Agenda material will be available before the meeting]

The full staff memo is incorporated into the minutes.

[Begin city manager agenda memo]

Tonight you will be reviewing the FY Proposed 2012-2013 operating budget. As you know, this is my first FY Budget for Lake Wales and the document before you is thorough and complex with hundreds of line items to carry funds to and from operations. Dorothy Pendergrass, our Finance Director, is intimately knowledgeable of the numbers, concepts and balance sheets and is an asset to our City. I am personally appreciative to her for her competence.

As we saw last year, the proposed budget is a no-growth budget that reflects a loss in property values and ad valorem taxes for the City. We are in a "survival-mode" with almost no capital improvements, equipment replacement or City projects. By implementing furlough hours we are able to avoid reducing present staff, although there will be some reductions through attrition in the year ahead. The furlough will represent about a 4% decrease to each employee WITHOUT any raises, cost of living increases, merit pay, etc. There have been no salary increases in 4 years. Still, our employees remain motivated and hopeful that the economy will improve and we can see a light at the end of the tunnel.

Although the economy has a serious impact on us and all cities nationally, we must try to prepare for better times. Our appearance was addressed recently when the Commission adopted the International Property Maintenance Code in order to give us the tools to combat decline, blight and neglect of commercial and residential properties within the City. We have added a part time Code Officer in order to implement this function and we are making progress.

Once we adopt a FY 12/13 budget, we are going to face some obstacles that you are already aware of. One of the most obvious is the City's contribution to the pension plans. These contributions have spiraled in the last few years. Over \$1million dollars is required of us annually and future projections do not predict relief. That is why we are seeking the advice of a professional consultant and will be working through this with the employees, unions, and pension boards. We are hopeful that we will have some resolutions to this problem in the next fiscal year.

Another issue that is of concern is the expenditures we incur in order to maintain our public spaces and facilities. Whether written or implied, there is little to no income generated from parks, ball fields, recreation centers or community centers. In the FY 2010/11, total income from these facilities was \$12,449. Pages 60 and 61 of your budget book gives a breakdown of some of the expenditures directly related to these operations. Quality of Life and leisure recreation is an important ingredient for any community but we must find a way to not only provide these but to use them to our advantage as an economic development tool.

I recommend a strategic planning session with the Commission in the near future to formulate a plan for the future of Lake Wales.

[End city manager agenda memo]

[Begin finance director agenda memo]

BACKGROUND

Interim Millage Rate:

On July 17, 2012, the City Commission set the interim millage rate at 9 mills to give itself some flexibility while working through the FY 2012'13 budget adoption process. The current year rolled-back rate is 8.5119. Staff has prepared the proposed budget based on the roll-back rate of 8.5119.

A millage rate of 9 mills would represent an increase of \$288,514 or 5.73% change in taxes paid (\$251,498 - General Fund, \$29,505 - Library Fund and \$7,511 - CRA Fund).

Taxes levied by the various options are as follows:

	2012 millage rate	2012 ad valorem taxes levied	2012 taxes over (under) 2011 taxes	Minimum adoption requirement
			4,800,924	
current	7.9998	4,523,823	(277,101)	3-2 vote
rolled-back	8.5119	4,813,421	12,497	3-2 vote
9 mills	9.0000	5,089,438	288,514	3-2 vote
maximum (cap@10 mills)	10.0000	5,656,931	856,007	3-2 vote

Note: The City does not receive 100% of ad valorem tax levy due to 1) discounts offered for early payment and 2) unpaid delinquent taxes. A 3% reduction is included within budget calculations for ad valorem tax revenues. The 3% reductions has not been applied to the data table listed above.

Estimated revenue received by the City at the various options are as follows:

	2012 millage rate	2012 ad valorem proceeds	2012 proceeds over (under) 2011 proceeds	Minimum adoption requirement
			4,656,896	
current	7.9998	4,388,117	(268,779)	3-2 vote

rolled-back	8.5119	4,666,952	10,056	3-2 vote
9 mills	9.0000	4,936,755	279,859	3-2 vote
maximum (cap@10 mills)	10.0000	5,485,283	828,387	3-2 vote

The City Commission is not required to make a decision on the final millage rate at this meeting. The final decision should be made after the City Commission has thoroughly reviewed and discussed the budget and all of its implications.

General Fund Overview:

By necessity, the FY 2012'13 proposed budget responds to funding shortfalls within the General Fund. During the budget process for FY 2011'12 it was discussed that most departments have now reached the lower limit and can make no additional cut-backs without reducing or eliminating services to the public.

Taking into consideration the fact that there are cost increases for fuel, utilities, insurance, pension benefits and other non-discretionary items, it is only possible to achieve cost savings by reducing expenditure budgets for personnel costs, operating equipment and supplies, maintenance and repair, contract and professional services, programs and other items.

General Fund revenues, based on the roll-back millage rate, for FY 2012'13 are \$10,340,192 while comparable to FY 2011'12 (\$10,345,072) required staff to consider significant reductions in expenditures due to the fact that FY 2011'12 budget required a reduction in reserves of \$480,658 in order to present a balanced budget. **The proposed budget for FY 2012'13 requires a General Fund reduction in reserves of \$211,329.**

To achieve reductions in General Fund appropriations:

- **An 80 hour furlough** is included within the proposed budget (a General Fund reduction of **\$231,405**).

Explanation of General Fund departments with a net decrease compared to FY 2011'12:

(13 departments with a combined reduction totaling \$424,244, excluding the effects of the proposed furlough).

- **City Manager's department** (page 8) has a reduction of **\$63,930**. This reduction is mainly due to the prior year transition cost of City Managers (\$51,183). Also, for FY 2012'13, more the City Manager's time has been allocated to the CRA (reduction to the General Fund of \$20,810).
- **Finance department** (page 12) has a reduction of **\$17,946**. The reduction is caused by the retirement of the Accounting Manager. The Accounting Manager position has been filled.
- **Human Resource department** (page 14) has a reduction of **\$10,418**. This reduction is caused by the elimination of the ½ position for Switchboard/Receptionist. This individual has been transferred to a cashier position within the city.
- **Fleet Maintenance department** (page 19) has a reduction of **\$20,272**, mainly due to an increase in the allocation cost to the police department.

- **Support Services department** (page 29) has a reduction of **\$26,382**. This reduction is caused by the retirement of the Purchasing/Support Service Director and scheduled replacement of that position with a Purchasing Specialist.
- **Municipal Administration Building** (page 31) has a reduction of **\$21,642**, mainly due to increases in allocation of costs to various departments.
- **Non-departmental** (page 32) has a reduction of **\$1,150** due to decreases in appropriations for veteran's memorial and other miscellaneous expenses.
- **Permit & Inspections department** (page 41) has a reduction of **\$19,275**. This reduction is caused by the elimination of one position within this department. The ½ Administrative Assistant position and ½ Development Permit Coordinator position has been removed from this department. An individual was transferred from this department to fill a vacant position within the Finance department.
- **Lake Conservation** (page 46) has a reduction of **\$7,500**. For FY 2012'13 only the minimum amount of service has been proposed.
- **Economic Development department** (page 53) has a reduction of **\$48,280**. This reduction is mainly caused by decreases in appropriations for professional fees \$2,500, landscaping maintenance LLBP \$5,000, contract services others \$18,000, advertising \$14,000, and M&R irrigation/drainage \$7,000.
- **Other Human Services** (page 55) has a reduction of **\$50,000**. In FY 2011'12, the City supplemented the Green & Gold "B" St Center.
- **Recreation Facilities** (page 61) has a reduction of **\$71,045** mainly due to prior year M&R on the Kirkland Gym (budget amendment #1 March, 2012). The prior year appropriations were a carryover from FY 2010'11 \$66,383 and FY 2011'12 \$8,574.
- **Interfund Transfers** (page 65) has a reduction of **\$66,404**. This reduction is mainly due to a decrease to the Debt Service Fund.

Explanation of General Fund departments with a net increase compared to FY 2011'12:

(12 departments with a combined increase totaling \$294,771, excluding the effects of the proposed furlough).

- **City Commission** (page 6) has an increase of **\$13,002**. This is mainly due to increase in the annual audit fee \$1,800, the Ridge League Dinner \$8,300 (there is matching revenue reimburse for this cost), memberships \$1,907 and postage \$840.
- **City Clerk** (page 10) has an increase of **\$6,904**. This is mainly due to increases in personnel costs \$4,845 and operating costs \$2,059.
- **Planning & Zoning department** (page 17) has an increase of **\$6,093**, mainly due to an increase in personnel costs.
- **Facilities Maintenance** (page 22) has an increase of **\$33,041**, mainly due to an increase in personnel costs \$9,558 and reduction of facility maintenance labor allocation to other departments \$25,408.

- **Information Technology department** (page 25) has an increase of **\$21,990**, mainly due to an increase in personnel costs \$14,474 and capital outlay \$12,000.
- **Police department** (page 33) has an increase of **\$2,458**. The police department eliminated 2 sworn officer positions for FY 2012'13, but due to increases within other personnel line items, the elimination of these two positions only realized a net reduction of \$19,855 within personnel cost for the police department. Operating costs increased \$22,313 due to various line increases and decreases.
- **Fire department** (page 39) has an increase of **\$85,370**, mainly due to increases in personnel costs \$65,076, operating costs \$9,294 and capital outlay \$11,000 (there is a matching grant funding source for the thermal imaging camera).
- **Code Enforcement department** (page 43) has an increase of **\$12,413**, mainly due to an increase in personnel costs \$25,002 (the addition of a part-time position) and operating costs \$13,457. The proposed budget allocates code enforcement costs to the CRA of \$26,046.
- **Waste Disposal** (page 45) has an increase of **\$6,040** mainly due to an increase in the solid waste contract.
- **Cemetery department** (page 48) has an increase of **\$68,397**, mainly due to an increase in operating costs of \$5,182 and capital outlay of \$63,215 (the revenue from the grove rental \$40,000 has been assigned as a matching source and \$23,215 will be assigned from the cemetery trust fund).
- **Parks Division** (page 58) has an increase of **\$35,827**, mainly due to an increase in the allocation of field operation costs.
- **Special Events** (page 65) has an increase of **\$3,236**, mainly due to an increase in the allocations from the police and field operations.

[End finance director agenda memo]

Finance Director Dorothy Pendergrass reviewed the changes made to the budget since the last budget workshop as follows:

- Liability Insurance increased only 5% instead of the projected 10%
- Department budget changes:
 - Fire Department – slight increase in revenue
 - Police Department – slight increase in revenue
- \$1,500 was removed out of the travel and education line item from the City Commission budget as requested by the Commission at the last budget workshop
- The communication service tax revenue came in from the State and went down approximately \$13,000.

Undesignated reserves is at \$383,000 in the General Fund

GENERAL COMMENTS

Commissioner Wojcik said she was against furloughs for employees because the money was in the budget to put the furlough hours back in and she asked for a consensus. The other Commissioners agreed and after further discussion they asked Ms. Pendergrass to remove furlough days from the budget.

Mayor Carter said the department heads were asked to reduce their budgets by 10% and they should be required to do that with no exceptions so the budget can be balanced.

Commissioner Wojcik said there will be \$150,000 left after the furloughs are removed and she asked that Commissioners consider using some of the money to hire an assistant city manager, someone with a strong background in recreation management, so that whenever Ms. Leary leaves the Commission doesn't have to go through another long dragged out process to hire someone and he or she can evaluate the city's facilities and personnel to see if they are being used to the best advantage.

Commissioner Howell said she would not vote to hire an assistant. She recommended using the reserves to purchase needed equipment. Commissioner Thornhill said he could not see spending the money on an assistant when we need to fill more police positions. Commissioner Lutton did not see the need of planning for when that position becomes available because it's not like we fire our city managers every 18 months like some of the small towns do. He said Lake Wales' is smaller than medium size yet bigger than a small city, and when we grow he explained, we will be able to do more quality things.

City Manager Terry Leary said we have a lot of recreational issues. She said renting the facilities is a losing proposition and probably always will be, and someone with a recreation background could coordinate those kinds of things.

POLICE DEPARTMENT BUDGET

Police Chief Velasquez was available to answer questions and the following concerns were addressed:

- Commissioner Thornhill said he saw that the number of officers was cut to 42 and he asked if 42 would be enough to provide the service needed for the safety of Lake Wales.

Chief Velasquez explained how positions were cut by not filling them when they became vacant. He said he didn't like having to do that but all the other departments have to reduce their budgets too, due to the economy, so he tried his best to do his part. He said if he has to reduce what he has, services will be impacted just as with other departments, though they would be able to still handle 911 calls. The police force will do its best with what it has, though it will take some planning.

- Commissioner Thornhill asked how many officers he would need in order to provide adequate safety.

Chief Velasquez said 45 officers were needed to improve services. He offered to freeze the 44th officer position because of the talk of furloughs, though he needed that position to help maintain the needed level of service. He said he believes he can get by this year with 43 officers.

A consensus was taken and the Commission asked that one more police officer be added to the police budget, an increase from 42 to 43.

- **Police Department Overtime**

- Chief Velasquez said that with only 42 officers his overtime budget may increase and it still might run over budget because no one can predict what will happen on the streets. All he can do is plan and prepare as much as possible for whatever comes our way.
- Commissioner Howell asked if overtime cost was high enough to justify hiring an officer or two to eliminate the need for some of the overtime hours. Chief Velasquez said that you could never eliminate all of overtime hours because no one knows what the future will bring and if some disaster happens we would need the money in there to be able to respond, but having more officers would certainly help.

- **Police Department Take-home Vehicles**

- Commissioner Howell was concerned with the cost of gas, and the wear and tear on take-home vehicles for officers living outside the city limits of Lake Wales. She agreed

that patrol officers living in Lake Wales should have take-home vehicles but not those living somewhere else and paying their taxes to benefit other cities.

Police Chief Velasquez said that they try to give the more fuel efficient vehicles to those officers who live farther away. Because of this, the department has reduced its fuel consumption significantly. They also do not have to pay around \$53,000 in pager or on-call pay because they take the vehicles home, which he believes makes up for the cost of the fuel used.

- Commissioner Thornhill said that take-home vehicles are needed because of response time. If officers have to drive their own vehicle, it would take more time because they would have to stop at lights, drive the speed limit and not be able to turn on their siren to move more quickly. Also, if an officer responds to a call while driving his own vehicle and then has an accident, his insurance would not cover it because he would be doing work-related business in his personal vehicle. By Florida Statutes, police officers do not have to live in Lake Wales so he has no issues with them taking home cars. He sees it as a perk in order to get qualified officers to stay here and not lose them to the County because it offers it. Commissioner Thornhill suggesting letting the department heads do their jobs and not try to micro-manage them. He said the directors reduced their budget as requested, so that is what the Commission should be focusing on.
- Mayor Carter said he was concerned that there are more take-home vehicles than police officers and added that officers would not have jurisdiction anyway until they were inside the city limits. He said he would like to know exactly how much it is costing the citizens for those vehicles.

Chief Velasquez said, out of the 39 marked vehicles and 15 unmarked vehicles, 41 go home. The biggest cost is fuel, \$15-30 thousand dollars depending on the cost of fuel, but it is less than we were using a few years ago due to using some newer low-fuel vehicles. He said there is accountability when each police officer has his own vehicle.

Mayor Carter told of a complaint he received by a citizen who saw a police officer in civilian clothes, get out of a marked police car along with his family, and go into the Fire House Sub on Florida Avenue. He said instances like that make citizens question it. Chief Velasquez said he debated the validity of that complaint but he would like to know the details so if it is valid he can address that as that is not supposed to happen.

- Commissioner Howell said officers who live far from Lake Wales should have to pay for taking home a police car.

Replacement vehicles

- Commissioner Howell said she believed that the newest cars should go to patrol officers rather than to administration, resource officers etc. It didn't matter if non-patrol employees had the newest vehicles and she was concerned to see that some administration employees and canine patrols are driving 2010 vehicles when some of the patrol officers are driving older 2003 vehicles. Patrol officers need to have safer, better made, fuel efficient, top notch cars to keep themselves and the city safe. Mayor Carter agreed.

Chief Velasquez said when a patrol car is replaced it goes to a patrol officer and when an unmarked vehicle is replaced it goes to a non-patrol officer because the unmarked vehicles are not set up with patrol capabilities.

Commissioner Howell said when the police department plans to buy a new car they should order a patrol car even if it is replacing a non-patrol car. The non-patrol employee should get the car belonging to the non-patrol officer. Commissioner Lutton said the cars

are completely different vehicles. Commissioner Wojcik said the patrol car being replaced could then be revised to be a non-patrol vehicle. Commissioner Thornhill said that an officer drives the car until it is dead-lined and no matter what the officer's job description, that officer should get the new car.

Chief Velasquez said that all officers, regardless of if they are patrol officers or have another assignment, may be called on to deal with hardcore crime and criminal pursuit and therefore need vehicles equipped to be able to do so. By not doing so could put the city in a liability situation if an officer was hurt because he was driving an unsafe or improperly equipped vehicle.

- Commissioner Wojcik asked if the Chief could give them an overview of how police cars are assigned and what he intends to do with the new ones. She asked if we had a policy on vehicles and if this issue had anything to do with the collective bargaining. Chief Velasquez gave an overview, said they do have a department policy and that take-home vehicles were bargained for and included in the union contract.

Human Resources Director Sandra Davis said the take-home cars are included in the police contract but changes could be discussed during future negotiations.

Chief Velasquez said they presently are in need of replacing six of the unmarked vehicles. He explained that all vehicles would be replaced every eight years if they used the following purchasing cycle:

- Year one: 5 marked and one unmarked vehicles
- Year two: 4 marked and two unmarked vehicles
- Same as year one etc.

- **Gas Guzzling and Old Vehicles:**

- Commissioner Howell said they should get rid of the really old, gas guzzling vehicles, no matter who is driving them, and then give the new replacement vehicles to patrol officers. The older cars should go to administrative and resource officers as they won't be needing pursuit vehicles.

Chief Velasquez said the cars are replaced according to the condition they are in; those with high mileage, gas guzzlers, or dead lined are auctioned off.

PUBLIC COMMENT

Ed Bowlin, Circle Drive, commented on the following:

- He said that the recent budget survey results indicated that the approval of the police department's services went from 77% last year to 86% this year and the majority of residents did not want to reduce the police or fire department's budget.
- The majority of residents were in favor of less recreation and he suggested that the money saved be used to cover the shortfall in the police department.
- He said that even mentioning that city employees should take furlough days is reprehensible.

John Paul Rogers, SR 60 East, said he could not believe that in the city's financial crises one would even suggest hiring a recreation director and an assistant city manager when department heads have cut back to the very bottom. He recommended scrapping that idea and taking care of their employees.

Mayor Carter said that YMCA's around the country have been developing partnerships with cities to put together a recreation program and the City Manager has had some recent conversations with our local YMCA about identifying needs and working with them.

Commissioner Lutton said he did not understand the need for more recreation because the city already has great programs including Little League, soccer, football and others that have been in place for many years.

There was a suggestion to have a future workshop dedicated to a discussion of recreation.

CITY COMMISSION BUDGET

Mayor Carter asked if specific items were earmarked for the training and education line item that had been removed by them at the last budget workshop and City Clerk Clara VanBlargan explained that it was for conferences and Commission training. Mayor Carter suggested that if they get to a place next year that this could be added back, they can do a budget amendment.

Mayor Carter said the City Commission budget went from \$72,000 to \$85,000 which was not less than last year's budget as requested. Ms. Pendergrass explained that the department heads were asked to go below the average of their budgets for the last four years, not last year's budget. The only part of the budget department heads can manipulate is about 1/3 to 1/2 of their operating budget. There also was \$8,300 for the Ridge League dinner which will be reimbursed by sponsor donations and fees and therefore will be no cost to the city. The audit and memberships went up and postage which Ms. VanBlargan has no control over.

Commissioner Lutton recommended again that the City Commission take a 10% pay cut. There was no confirmation by the other Commissioners.

CITY MANAGER'S BUDGET

Commissioner Lutton said that the operating expenses were up \$1,000. Ms. Leary explained that she added the professional memberships because she thought it was important to stay on top of things but she could take it out if they wished.

CITY CLERK'S BUDGET

City Clerk Clara VanBlargan reviewed the department budget and explained the necessary increases in the line items of the City Clerk's budget.

There was a discussion about the \$18,000 lease for eleven copiers in the city, and it was pointed out that employees are encouraged to use the workroom copiers rather than their desktop printers because it is cheaper. Information Services Director James Slaton said he was doing everything possible to keep the cost of copying down. The Mayor asked if employees could send things digitally more and Mr. Slaton said they already do that quite a bit.

The Commission took a break at 6:13 p.m. and reconvened at 6:30 p.m.

FINANCE BUDGET

Finance Director Dorothy Pendergrass reviewed the department budget. There were no comments by the Commission.

HUMAN RESOURCES BUDGET

Human Resources Director Sandra Davis reviewed the department budget. There were no comments by the Commission.

CITY ATTORNEY'S BUDGET

Commissioner Thornhill said the City is doing very good with what we have. Commissioner Lutton pointed out that Mr. Galloway agreed not to take his 2.5% increase again this year.

PLANNING AND ZONING BUDGET

Assistant Director of Planning and Development Kathy Bangley reviewed the department budget and answered the following questions:

- Mayor Carter asked why the copier lease decreased in her department when it did not in other departments. Ms. Bangley explained that it was because Code Enforcement was added to the department so the cost was allocated between three departments instead of just building and planning as they had last year.
- Commissioner Thornhill asked why the legal advertising line item was decreased and Ms. Bangley explained they haven't had as much legal advertising in the last couple of years because there haven't been as many annexations or comprehensive plan changes.
- Commissioner Wojcik asked for an explanation of professional planning services. Ms. Bangley explained that this was for consultant services for engineering and legal services for the technical work staff is not qualified to do.

FLEET MAINTENANCE BUDGET

Purchasing Director Bonnie Hodge reviewed the department budget.

Mayor Carter said that 99% of fleet services are contracted out. He asked if Ms. Hodge takes advantage of extended warranties. Ms. Hodge said that they have never gotten the extended warranties since she has been working for the city but explained that new cars have a three-year warranty and the state's contract price, which we are under, is the best deal you can get. She said that under the state contract it is the same no matter where the car is purchased but she could check into extended warranties if they wished her to do so. She said the maintenance paid to the county on new cars is minimal, just for things like oil changes and filters, because everything else is covered under the three-year warranty.

Mayor Carter asked City Manager Terry Leary if she had any experience with extended warranties in other states and if so if she thought it was worth the money. Ms. Leary said they did have them but she did not think it was worth the cost.

FACILITY MAINTENANCE

Purchasing Director Bonnie Hodge reviewed the department budget. There were no comments by the Commission.

INFORMATION TECHNOLOGY

Information Technology Director James Slaton reviewed the department budget.

Commissioner Howell asked about a new software technology whereby residents could watch City Commission meetings on their computers.

The following were listed as benefits of getting the technology:

- It can be recorded and put on the city's website.
- Those who can't watch the City Commission meetings now because they don't subscribe to Comcast will be able to view the meetings through the web.
- People, including staff, would be able to view past meetings to answer questions etc.

The following were listed as drawbacks:

- Mr. Slaton explained that it would cost \$5,000 for the capital outlay and then \$3,600 annually for the service.

City Clerk Clara VanBlargan said it would be about \$300 to \$400 a month and the cost could be divided between departments that use the service for their board meetings in the Commission Chamber.

- It takes a lot of space on the server plus the quality would be poor so we would not want to post it on the website ourselves. That would be why we would be paying the monthly fee to the company so they can host the website so the program would be clearer and much faster.
- People who do not have computers would still be unable to view the board meetings.

Mr. Slaton said that though the software would be nice to have, he would rather spend the money on replacing old, outdated computers that have been removed from the budget every year for the past three years due to budget cuts. He explained the problems they are having with so many old computers and said the money that would have been used on the new software could replace at least six desktop computers a year.

Ms. VanBlargan said the monthly cost could be broken down and paid for by the various departments using the program.

There was a discussion on the reason why the Commission is just now hearing about the need for replacing the old computers and Commissioner Wojcik said it has been on the CIP list but keeps being moved to the next year. Mr. Slaton was asked how many computers he felt should be replaced right now and he said about six. There was a discussion about the cost and it was determined that you could get a pretty good, reliable computer for about \$400. The consensus was for Mr. Slaton to determine exactly how many computers needed to be replaced and the cost so they can revisit it.

They also asked Mr. Slaton to find out the exact cost for purchasing, maintaining and operating the new meeting software to put it online and get the information to all the Commissioners.

SUPPORT SERVICES

Purchasing Director Bonnie Hodge reviewed the department budget. There were no comments by the Commission.

ADMINISTRATION BUILDING BUDGET

Purchasing Director Bonnie Hodge reviewed the administration building's budget.

Commissioner Lutton questioned that the electricity would be the same amount as last year. Ms. Hodge explained that they have been saving a lot of money because of the energy saving program the city is in.

NON-DEPARTMENT OPERATION BUDGET

Finance Director Dorothy Pendergrass reviewed the non-department budget.

Commissioner Wojcik asked if the city pays the unemployment compensation or if it goes through an agency. Ms. Davis said the city pays it.

FIRE DEPARTMENT BUDGET

Fire Chief Jerry Brown reviewed the department budget.

Chief Brown explained that though he made cuts in things like cell phone usage, overtime, training and education, M & R, and operating supplies in an attempt to decrease his budget by 10%, his overall budget increased from last year due to things like the insurance increase, the 911 dispatch contract increase, and cost of fuel going up, all things he has no control over. The only thing he added was safety gear. He even had to cut fire prevention educational items like coloring books for school children and smoke alarms for residents who can't afford them. Chief Brown said he took exception to the comment that directors were not cutting their budget 10%. He said he was not asking the Commission to give him anything back, because all the departments have had to cut back. He just wanted them to know he has tried to cut all he can but some things were out of his control.

Mayor Carter said he is concerned with the cuts in training and education because that would put firefighters at risk. Chief Brown said that firefighters are trained every day in-house on a set schedule and agencies come in to train through grants, but outside training at a colleges or trade schools will have to be covered by employees. Commissioner Lutton asked if any of that was needed for their certification and Chief Brown explained yes. There was a discussion and the census was to put training and education back into the budget.

Commissioner Wojcik asked about the fire station in the north section of town.

Ms. Pendergrass said that part of the fire station will be paid for with impact fees, which is currently at \$109,000. The estimated cost for the station property is \$185,000 so they plan to do short term borrowing from the General Fund until the impact fees come in, which was already approved by the Commission. When and if the property is purchased, they will start the engineering and design Phase. Then she will do a budget amendment, put the grant amount in if they find one, and the remainder will be the debt service amount. She reminded them that the project was always expected to be financed.

Commissioner Thornhill was concerned about taking out the coloring books and fire alarms and Chief Brown said he will be trying to find another avenue to restock them.

PERMITS AND INSPECTIONS BUDGET

There were no questions.

CODE ENFORCEMENT/PERMITS AND INSPECTIONS BUDGET

Building Official and Code Enforcement Director Cliff Smith reviewed and explained the reason his budget increased, which was because of:

- Increased attorney fees
- Emergency demolitions
- Mowing contract for work on abandoned property, though that money will be reimbursed by the owner or through the cost being added to the owner's tax bill.

Mayor Carter questioned the copier cost and the vehicle lease and Mr. Smith explained.

Mayor Carter told them about a program he heard of whereby old abandoned buildings were being used to burn or demolish as part of firefighter training. Chief Brown explained that before they can use a building for fire training, all the asphalt shingles, vinyl floor coverings and anything else that when burned produces toxic fumes, would have to be removed, which would be very labor intensive. But they have used buildings scheduled for demolition for rescue training. They can't use employees who are on duty to do that kind of training for it would leave the city unguarded, so off duty firefighters would have to be brought in which would be expensive because of overtime pay. Mayor Carter said it sounds good on paper but it doesn't work in real life.

WASTE DISPOSAL BUDGET

Finance Director Dorothy Pendergrass reviewed the contract the City has with Florida Refuse (Republic Services of Florida, LLC.).

Mayor Carter asked if the cost was offset by revenue and Ms. Pendergrass said it more than offsets. Mayor Carter asked if there was something they could publically promote so they can decrease the cost to residents. Ms. Pendergrass explained that the more recycling material collected, the more the cost for dumping fees to Florida Refuse goes down, and therefore the price goes down. She explained that she receives notice of the tonnage each month and calculates to determine if there is a savings to Florida Refuse. According to the terms of the contract the city can request an amendment to lower the fees if we determine they have had a savings due to recycling. She said they could put a flyer in the utility bill as a promotion letting residents know.

Commissioner Howell asked if the City had to pay more if garbage trucks have to return to pick up missed garbage, or if more than one truck comes to pick up the same garbage by mistake. Ms. Pendergrass said we don't pay extra for that and it is also prorated. Florida Refuse is only paid for the trash billed to citizens so we are not paying when they move or go north for the summer.

LAKES CONSERVATION

There were no comments.

FIELD OPERATIONS: STREETS, PARKS, RECREATION, FACILITIES

Public Services Administrator Teresa Allen reviewed the Public Services budget.

Mayor Carter questioned the item for the platting of the new cemetery because he said the Commission has not yet determined if we would build a new cemetery or if we would privatize them. Ms. Allen said it was a capital improvement project that was already there but it could be moved until next year if the Commission wished. She said there were enough grave spaces left to last at least two years because a new addition was just opened. Mayor Carter said they still needed to decide who they wanted to sell the spaces to as there was a prior discussion about limiting it to Lake Wales' residents or to the families of those already buried there. They decided they would need two or three workshops before these decisions could be made.

The consensus was to remove the \$40,000 from this year's budget

Ms. Leary recommended revisiting rental charges in the future because what is collected now falls very short of the cost of personnel (one full time employee at the soccer complex and one at the James P. Austin Community Center) and other expenses in city facilities for maintenance, electricity and field services.

The following points were made:

- The leagues are supposed to be paying \$4 each according to our ordinance, but the soccer and Little Leagues are not paying the fee because they say they do in-kind services.
- The cost to the city for the gym is \$78,000 a year.
- There needs to be compliance with the ordinance or the ordinance needs to be changed.
- PAL, those that play football and soccer at Kiwanis Park or use the gymnasium or tennis courts, don't pay a fee because they are not considered leagues though they use city facilities and contribute to maintenance needs.
- The consensus was that all users of city facilities should pay equally.

Mayor Carter asked that staff look into the overall situation in all city facilities to determine where things

are falling through the cracks, what the ordinance says and what they really apply to, and then bring the information back to the Commission with a recommendation.

PUBLIC COMMENT

Ed Bowlin, Circle Drive, commented that according to the city's budget survey the most important issue for residents are the streets and the least important issue is recreation and yet the city is only spending \$20,000 on streets and almost one million dollars on recreation.

PUBLIC SERVICES: ADMINISTRATION FOR FIELD OPERATIONS AND THE AIRPORT

Public Services Administrator Teresa Allen reviewed the budget for field operations and the airport. There were no comments.

GRANTS AND AID

There were no comments.

ECONOMIC DEVELOPMENT BUDGET

Economic Development Director Harold Gallup reviewed the department budget.

Commissioner Howell questioned the doubling of the books and subscriptions line item. Mr. Gallup said they were for professional journals and magazines. He said the City has never paid for subscriptions for things like the Wall Street Journal or New York Times or newspapers he subscribes to; he pays for them, along with luncheons and chamber events, out of his own pocket.

Commissioner Wojcik said she thought he would need more money in advertising. Mr. Gallup said it was a cut he was not happy about doing but was it was necessary to do to reduce the budget to prevent any layoffs. Ms. Leary said she was not at all happy with the reduction either. Mayor Carter suggested shifting some of the \$40,000 from the cemetery plats to economic development advertising. Commissioner Lutton said he would rather the money go for new computers and the fire department training. Mayor Carter said they could revisit this later.

Mr. Gallup was asked about the water usage line item and he explained it was for irrigation reuse water at Long Leaf Business Park.

Commissioner Wojcik asked about participation in ICSC because economic development is so important. Mr. Gallup said he goes to the meetings in Tampa and others that are close enough for him to drive there and back in one day as there has been no overnight budgeted. He used to go to the national event every year but there is no money for that this year either. Commissioner Wojcik asked for replacement of some advertising monies also and Mr. Gallup said he would get the numbers to the City Manager for the budget.

PARKS

Public Services Administrator Teresa Allen reviewed the parks budget.

Mayor Carter asked about the Christmas decoration contract. Ms. Allen explained that there is one more year on the present contract. The Mayor asked if we would be revisiting the lease at that time and Ms. Allen said they found that leasing is more feasible than having to purchase, store, repair, maintain, put-up and take them down the decorations themselves.

The Mayor had a question about the bicycle path lights and Ms. Allen explained that in 1998 when the 66 lights were put in, the bid was way over budget, at \$195,000, so in order to be able to have the lights

there, Florida Power [now Progress Energy] employees took a vacation day to lay some of the wiring and lights for us, which saved the city about \$40,000. Mayor Carter asked if they would be revisiting that when the lease expires and Ms. Allen said no because with the lease anything that happens with the lights is taken care of by Progress Energy, whereas if the City buys them that cost would be ours. Mayor Carter asked if she knew how much that cost actually is and Ms. Allen said no but she would get that information for them.

Commissioner Lutton said he thought there were mowers that had to be replaced. Ms. Allen said they are basically using parts to piece mowers together to get them through this year, but they definitely will need them the next year.

There was a discussion about not mowing too close to the lake, which would give wildlife a better chance and because it would reduce the cost. Ms. Allen said they do not mow to the edge of the lake now, but follow the FDOT guidelines of 25 feet from the edge. She said they often get calls from residents wanting them to mow down further to the lake and she has to explain that they have to follow the preset guidelines. Mayor Carter said that David Price from Bok Sanctuary recommended only mowing at least two mower lengths further away from the lake than what is presently being mowed.

There was a question about mowing along state roads and Ms. Allen said FDOT does that but they are only required to mow once a month so if we want it looking better we will have to mow it ourselves. There was a discussion about the various places they mow.

SPECIAL EVENTS BUDGET: 4th OF JULY, PIONEER DAYS AND SUMMER MOVIE PROGRAM

Special Projects Manager Jennifer Nanek reviewed the special events budget.

There was a concern about reducing the summer movie program as it is a very popular program. Ms. Nanek said they may decide to limit the number of weeks or other company sponsors could be found.

Commissioner Thornhill asked that \$15,000 be put into fireworks instead of \$10,000 just in case they decide to have the fireworks in both locations again next year. There was consensus.

STREETS

Public Services Administrator Teresa Allen reviewed the streets budget.

There was a concern about the budget for street repairs. Ms. Allen explained that the money in the budget is for maintenance and repair, for things like pot holes on existing streets, and there is nothing in the budget for anything major.

Mayor Carter questioned the line item on traffic control and asked what that was for. Ms. Allen explained that it is mostly for the railroad crossing safety program because we have to pay Florida Midland Railroad a portion of the maintenance for the seven crossings in Lake Wales.

Mayor Carter asked if, after they see how much is left in the unrestricted fund, they try and find more money for road repairs

REVIEW

- Because they finished going through the entire budget it was decided to cancel the budget workshop scheduled before the City Commission meeting on August 7th.
- Ms. Pendergrass listed the following changes that will be made:
 - Move the \$40,000 for cemetery plats to next year's budget
 - Remove the furlough hours for employees

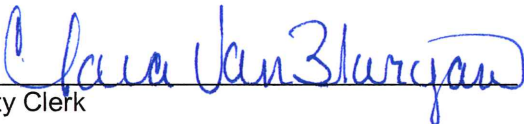
- Add one sworn police officer to make a total of 43
 - Keep the rollback millage rate of 8.5119
 - Add money in the IT budget for desktop computers
 - Add money to the Fire Department budget for training
 - Increase the fireworks line item in the special events budget by \$5,000
 - Finalize the health insurance budget once the final figures come in
- Ms. Pendergrass outlined the remaining steps for the budget process:
 - Ms. Pendergrass will make the changes requested by the Commission.
 - Within the next two weeks the Commissioners will receive the proposed 5-year CIP and the entire packet.
 - At the first budget hearing on September 5th, the Commission will have another chance to make changes.
 - September 18th will be the final reading and public hearing on the budget.

There being no further business, the meeting was adjourned at 8:18 p.m.



Mayor/Commissioner

ATTEST:



City Clerk