

**MINUTES
CITY COUNCIL WORKSHOP
CITY OF ARCADIA
TUESDAY, MAY 1, 2012
5:00 PM**

CALL TO ORDER, ROLL CALL

The workshop session was called to order at approximately 5:00 PM.

Arcadia City Council

Mayor Keith Keene

Deputy Mayor Alice Frierson

Councilman Robert Heine

Councilman Joseph E. Fink

Councilman Robert Allen

Arcadia City Staff

Assistant City Administrator Judi Jankosky

City Recorder Virginia S. Haas

Finance Director, Jorge Santana

City Attorney Bill Galvano

City Attorney Leslie Gladfelter

DISCUSSION:

1. Revenue and expenditure summary as it compares to 2010/2011 and 2011/2012.

Mayor opened the meeting commenting that it would be helpful for Mr. Santana to give the Council a snapshot of where we are financial and whether there may be any adjustments needed. Mr. Santana reported that adjustments were made to the March financials and the \$450,000 settlement was removed and book in the 2010/2011 budget per the Auditor's recommendation. Attorney Galvano noted that the settlement occurred this year when the appeal was lost. Mr. Santana responded that the Auditor received documents prior to September 30, 2011 expressing an amount of \$309,000 plus attorney fees. Attorney Galvano responded that at that time there was a potential liability. Mr. Santa stated that the Auditor booked the liability at the time it was received as written by the Attorney's audit letter. There was additional discussion in which budget year the settlement should be booked. Mr. Santana replied to Deputy Mayor Frierson that the settlement was paid from the Seacoast operating account. Councilman Fink interjected that the Council should ask the Auditor directly. Mr. Santana passed into the record the email from the Auditor stating that the \$450,000 was booked to the 2010/2011 budget.

Mr. Santana continued that \$32,000 was spent in the Water/Sewer renewal and replacement fund which will require amendments as well as amendments to the retirement fund. Deputy Mayor Frierson noted that according to the minutes she reviewed the increase in the water rates was to be only used for water projects and once the fund built up the City could consider giving the citizens some relief. Mrs. Jankosky stated there are standing bills for sidewalks installed on Polk and Oak which were requested to be paid out of the Water/Sewer renewal and replacement fund; however the Auditor told her that these improvements could not be taken from that fund. Deputy Mayor Frierson interjected that the engineer for the bicycle/pedestrian master

plan told her there will be money available for these type projects (sidewalks and road paving). On the other she stated the improvements could be paid out of the capital improvement fund. Mr. Santana responded that there is \$1,068,489 in the capital improvement fund and there is \$375,000 in the Water/Sewer renewal and replacement fund. Mayor Keene stated that the city needs a priority list. Councilman Heine suggested that the Department Heads attend each Council Meeting. Mr. Santana responded to Deputy Mayor Frierson that when questions arise he contacts the Comptroller's Office.

Councilman Heine stated that the fire hydrants throughout the City need replacing. Mr. Santana responded that the hydrant replacements are coming out the System's budget as they budget \$40,000 each year to replace hydrants systematically. Mr. Santana noted that the Council could expedite the hydrant replacements and pull from the capital improvements fund or water/sewer renewal and replacement fund. Mayor Keene reiterated the need for a priority list and plan of action. Deputy Mayor Frierson stated that Council needs to know where the City stands in the budget and the negativity she received at the last meeting regarding the budget was overwhelming. Mayor Keene suggested that the Deputy Mayor may want to bring forward any suggestions. Deputy Mayor Frierson pointed out that the City needs someone who has in depth experience with local government budgets. Mr. Santana explained that at this point in time our revenues are coming in higher and our expenditures are low and we are showing a \$526,000 profit however we are unable to be certain where we might be in the next six months. He stated that reserves on March 30, 2011 were 3.72 million and March 30, 2012 they were 3.74 which is an increase of \$20,000. Mr. Santana responded to Deputy Mayor Frierson that the General Fund spent approximately 2.4 million therefore over the next 6 months we may spend 3 million which totals the 5.5 million dollar budget approved in September. Deputy Mayor asked where the savings are found in the budget. Mr. Santana responded that the revenues minus the expenditures show a savings of \$526,000.

Councilman Fink inputted that he and three of the other Council Members did not approve this budget and the Council would have to work with the budget currently in place. He explained that he took offense to statements that indicate he is not concerned about the budget and he doesn't feel the Council should count paper clips and pens. Deputy Mayor Frierson agreed and pointed out that the Council needs to whittle down the expected deficit. Councilman Fink responded that the Council needs to set priority issues so that the City Administrator knows what to accomplish.

Mr. Santana explained that typically the budget preparation begins in the Middle of May and payroll is completed first and then the operating costs are prepared through analyzing a five year trend.

Councilman Fink apologized to Deputy Mayor Frierson and stated that she cares about the City as much as he does. Deputy Mayor Frierson explained that she had to step back from the budget as they were told to keep their mouths closed and threatened legally.

Mrs. Jankosky suggested having each Department come before Council and explain

what expenses are in the requested budget. Councilman Heine stated that if a Council Member feels that something needs to be said they should be able to express themselves. Mayor Keene echoed Councilman Heine's statement and asked Deputy Mayor Frierson to share with the Council what she has. Deputy Mayor Frierson responded that she would gladly give copies to the Council provided they study the materials. She reiterated that the deficit needs to be addressed.

Mr. Santana stated that at this point in time he is comfortable with the budget however he feels the numbers will come in extremely close. Deputy Mayor Frierson responded that if the deficit is not eliminated the reserves will be depleted within three to five years.

Mayor Keene stated the Council may need to consider reduction in services. Councilman Heine concurred with having meetings with each department Head. Councilman Allen indicated that he preferred to see the full budget. Mr. Santana responded to Mayor Keene that typically the budget process begins in May with the Department Heads creating their respective projected budgets.

Councilman Fink requested a personnel services log of position titles and salary information.

Council, by consensus, agreed that each Department Head would present their budget at a subsequent Workshop Meeting.

PUBLIC COMMENTS - NONE

COUNCIL MEMBER COMMENTS - NONE

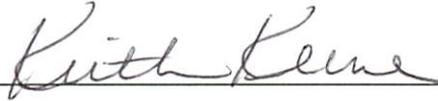
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ADJOURN

Having no further business, the workshop was adjourned at 6:00 PM.

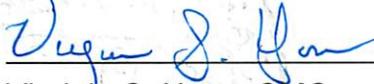
APPROVED THIS 15th DAY OF MAY 2012

By:



Keith Keene, Mayor

ATTEST:



Virginia S. Haas, CMC
City Recorder