

**MINUTES
CITY COUNCIL WORKSHOP
CITY OF ARCADIA
TUESDAY, JULY 10, 2012
5:30 PM**

CALL TO ORDER, ROLL CALL

The workshop session was called to order at approximately 5:30 PM.

Arcadia City Council

Mayor Keith Keene

Deputy Mayor Alice Frierson

Councilman Robert Heine

Councilman Joseph E. Fink

Councilman Robert Allen

Arcadia City Staff

Interim Administrator Judi Jankosky

Finance Director Jorge Santana

Marshal Charles Lee

City Recorder Virginia S. Haas

DISCUSSION:

1. Public Safety 2012/2013 Budget
 - a. Law Enforcement
 - b. Fire Control
 - c. Vehicle Grant
 - d. COPS – CHRP Grant
 - e. Rural Investigator Grant
 - f. Police Cars and Equipment
 - g. Victims of Crime
 - h. Anti-Drug Grant
 - i. School Crossing Guards

Marshal Lee stated that he understands the City is financially in dire straights and at the time the City was thought to have a \$500,000 surplus he chose not to receive any bonus himself while others chose to receive a bonus. Nothing was said about the bonuses except by Deputy Mayor Frierson and now when the Police Department is reviewed you speak. He stated he felt this was personal toward the Department. He continued in review again of the budget that he would only be able to reduce two full time officers to part time positions along with the agreement from the School Board to provide the crossing guards. This was not originally reflected in the numbers and has been forwarded to the Finance Department.

Mr. Santana explained that during April and May \$1.3 million was spent however revenues were only \$700,000 therefore we have drawn on reserves. Mr. Santana offered two suggestions to balance the \$757,000 deficit: 1) Eliminate the Fire Services contract and or 2) Eliminate any department equipment expenses amounting to approximately \$300,000. Mayor Keene responded without the City Attorney present he would suggest not terminating the contract however eliminating any of the equipment expenses could be done. He reminded this was a workshop for discussion purposes only and he believes that everyone understands some items in the "wish list" may have

to be cut and attempt being creative with balancing the budget.

Mr. Santana reported that he met with the County last week and the fire contract is a 30 year contract and after the 15th year the City should start receiving money. The City should have received \$1 million. Councilman Heine stated that we did have an Attorney at that time and the economy was not doing well. He stated that the City does want to coordinate with the County. Mayor Keene stated that we spent a lot of time collaborating with the County and its disturbing there are no dates or schedule of payments. Those are the items we are currently discussing with the County.

Councilman Allen acknowledged that these are terrible times during this process. Our employees are important to the community and this Council has a duty to protect them, it is our priority. We are not confident that we have enough money to keep all employees however it appears this is a tight situation and we will have to decide on some answers. Marshal Lee responded that since the posting in last Thursdays' paper his employees have had sleepless nights and morale is low. He explained his history with the Police Department and how he chose to remain loyal to Arcadia. Since he has been Marshal he has been cutting positions and feels it is not fair as all Officers are human. He finalized that the news was not fair to the Police Department however his Department is here to work with the Council in any way they can.

Mayor Keene replied that we are all dedicated to working together and he has worked in state government. He acknowledged that budget cuts are not pleasant but he is hoping to work something out and he feels their pain. Councilman Heine talked about how most of the Police Department cars need replacing and he is aware that the Police Department is trying to work with the Council. Deputy Mayor Frierson responded that the problem is the insinuation to dissolve the department and she is not in favor of dissolving the department but possibly cutting back. She added, dissolving the Police Department would be the worst thing this Council could do. Councilman Allen responded that the Officers are family and we will try to maintain the present workforce.

Councilman Fink stated that he brought this item forward because he didn't want to be a member of the last Council of Arcadia after 125 years and he has sleepless nights also. He continued that it is important to save 90 jobs this year than have no jobs next year. However, he is uncertain if there is another way. He stated that \$1.3 million is collected in property taxes and the Police Department budget is \$1.4 million, so we spend more on the Police Department than we collect on all City property taxes, which is significant. He addressed the Fire Contract to see if there were other ways to deal with the budget but no one wanted to address that. He talked about the airport and the golf course and was told to move on. He stated that he is looking at all choices and the possibility of outsourcing the Police Department because that may be the only way to save 90 minus 26 employees. We gave our word that we would look at all issues. He explained that he knows people in governmental services, some taking 10% cuts like in the School System. He stated he brought up the Airport and he was told to move on. Deputy Mayor Frierson responded that the Airport is an Enterprise Zone. Councilman Fink stated if the City dissolves in September of 2013, Councilman Heine will have achieved 20 years service and he does not believe the City will be able to give him retirement. Also the County will not keep the Golf Course as a non money maker. The Golf Course

expenditures are \$488,000 and the income \$410,000. Every citizen would have to supplement the golf usage in the amount of \$80,000 which is not reasonable in this economy.

Deputy Mayor Frierson stated if the County takes over Police service they will seek reimbursement. Councilman Heine referred to the consolidation of Dundee, Frostproof and Fort Mead and he thought Dundee paid \$800,000 to Polk County Sheriff and saved all 15 officers. Mayor Keene asked what the cost would be for the Sheriff to provide services to the City. Councilman Fink agreed that we should ask the Sheriff for the cost to provide Police services. Councilman Fink stated that 25 years ago the City had a Civil Engineer on staff, a Planning Director, a Building Department and a Fire Department which all those services were lost and the citizens never recouped. He stated that he doesn't see a functioning City if it doesn't have all of its parts. Councilman Allen stated that it appears negative right now however the Council will try to save all employees involved.

Councilman Fink asked for a consensus from Council to ask Sheriff Wise for the cost and an inter-local agreement between the City and the Sheriff's Department for the provision of Police services. Mayor Keene directed the Interim Administrator to contact Sheriff Wise to see if he can provide a cost for services.

PUBLIC COMMENTS

Mrs. Geri Williams stated Arcadia is her home. She is baffled and confused after what she read in paper and what she is hearing today has confirmed that. She stated she was embarrassed and appalled that Councilman Fink would say that we should eliminate the Police Department in such a spontaneous manner. Planning should be strategic and planning and budgeting should go hand in hand. She thanked Councilman Allen for his voice of reason and Deputy Mayor Frierson for stating she was not in favor of eliminating the Police Department. She continued that the Police Department reports to the City Council in terms of order. The Sheriff reports to the County in terms of order. She questioned the integrity of the data and asked how can you move forward when you haven't identified the problem? What do we really know the numbers to be and are the numbers valid. She stated with respect to Councilman Fink, she appreciates his being authentic in what he believes, he asked about the Golf Course and the airport and was told to move on. He got to the Police Department and he makes the statement in public that we are going to get numbers which is irresponsible. She stated that we have Council elected by the people and these Officers are taxpayers, public servants and contribute in other ways to the community. She asked that a cost/benefit analysis be completed and arrive at credible integrity of the data then make an informed decision. The decisions you are making tonight are not informed decisions.

She thanked Councilman Allen for stating that we need to explore more into this budget and see what the numbers are. She continued that you say this is not personal, however let us do this on sound fiscal data, study it and see how to move forward to advance the City. I am very proud to be from Arcadia and I work, volunteer and will retire here. I want to be part of people who believe in what they say. She stated with respect to Councilman Heine don't let your decisions be anecdotal like comparing what

Frostproof and Dundee did. What do the numbers and facts tell us. You should be provided those numbers from the fiscal positions and that is ground zero then look at the integrity of the information that you have been provided: Is it real? Is it ambiguous? Can we support it and is there evidence that can substantiate what we are saying? She asked to see the hard data and appealed to Council that they conduct a cost/benefit analysis; look at service delivery and functions. She said that she has had to reduce/downsize in other positions but it was well thought out and based on concrete data. Allow the people you serve to know that your decisions were based on sound facts and supporting documentation and relieve ourselves from making unplanned statements in the paper that perhaps sends the wrong message when you are just starting to have a meaningful conversation. We are servants to the people and each other's customers. She finalized that we are saying without saying that the Police Department does not matter as much as all the other things so lets get rid of the Police Department; which is irresponsible.

Mr. Mike Waller stated he has volunteered with the Arcadia Police Department for the past three years and saves the City taxpayers a lot of money. He helped with equipment donated over \$100,000 to the Police Department so he knows Marshal Lee is attempting to save on his budget. He stated that it is irresponsible for the Council to want to eliminate positions in the Police Department and exclude any other departments. He stated he felt ashamed to be a DeSoto County resident and what the newspaper wrote hurt his heart as he stands beside 26 men and women who put their lives on the line. The Officers serve the City well and it is an honor to work with them. Council should be proud those Officers are protecting Arcadia's streets but to make a statement to outsource the Police Department, not the water, garbage or parks department hurts his heart. He continued that because of an action of Council these officers are having sleepless nights and it should be difficult to put a price on a service that saves peoples lives.

Dr. Lorenzo Dixon stated he concurs with the actions Council is possibly looking toward to avoid duplicating services and double taxation. He continued that most people don't look at the facts or business aspect but try to make it personal. This should be a business decision not personal. He explained that he met Commissioner Leo of Ft. Meade at a League of Cities function and they talked about how they consolidated services. It was a tough decision to outsource certain services versus losing an entire City. Commissioner Leo made the decision and others opposed because they did not have enough information to understand the entire problem. Regardless of the outsourcing the same Officers were present but in green instead of blue. He stated he feels confident that the Sheriff is fair and honest and will do what is right for all. He was glad the Council suggested getting numbers from the Sheriff. He added that we should keep in mind that Florida Statutes mandate that the Sheriff provide protection for the City.

Dr. Dixon relayed if you choose to go into agreement with the Sheriff there are 3 questions to be posed: 1) How many courthouses do we have? 2) How many jails in Arcadia or any City; that would tell you how many Officers you need. 3) How many Officers left in past years or the last year and went to work for the County? He finalized that Council should look at it in a business manner and it should not be personal. He

referred to Governor Scott who made some tough decisions, not all pleasant, but doing what he has to do.

Leonard Gregory Martin, disabled Officer, City resident and taxpayer who served in the community for 21 years. He stated the decision is business, but is very personal and cannot be taken out of the equation. He agreed with both sides however focusing on one area is not fair to the Officers or the residents. He continued when the Fire Department merged the residents lost services and he relayed examples. He questioned what kind of services would you want? He was taught that the garbage collectors were most important because if you have no sanitation you can't live. He asked Council to view the big picture because outsourcing the Police Department would hurt all the citizens of Arcadia. He asked Council to be thoughtful about the decision and take it personally. He believes the City will recover in four or five years however cuts should be broad and equally taken instead of focusing on one Department.

Lt. Gary Evans stated he has worked for the Arcadia Police Department for 17 years and he, like the Marshal, has had many opportunities but decided to come to Arcadia. He stated that he heard that the Sheriff could take over services for the City for free by statute which he believes may be partially correct however what kind of service are you going to receive. He agreed that you don't want to make the Sheriff and County upset by not paying for the service and like the Arcadia Police Department that service does utilize most of the budget that comes into a City. He added that the Marshal position is an elected position and should you ask the Sheriff to give a cost you will still be required to pay for the Marshal's position. He encouraged the Council to take the time to think things through and not rush into a decision.

Mr. Gary Frierson referred to the audit, page 62 gas tax in the amount of \$250,000 and page 68, infrastructure tax is \$375,000 received for last year which is about \$625,000. He added you also have \$250,000 worth of requested new equipment and all these items added together is more than enough to cover the budget this year. He continued when he hears people talk about the City going out of business in 2013 he feels disturbed. We do need to make cuts however there is money to use before you close the business. He finalized that any Council Member using scare tactics that the City will close down is wrong and doing a disservice to the community.

Mr. Jorge Santana, Finance Director, responded that Mr. Frierson would be the first to complain about using the local option gas tax and the infrastructure tax that we receive to balance the general fund but now he is asking us to do that this coming year. Mr. Frierson responded that in a worst case scenario you can use that money. Mr. Santana replied that by September 2014 there won't be enough money in the general fund to operate. He continued that you will have money in other funds but those are reserved. By drawing from the other accounts you are eliminating that money for future years and you can't use restricted accounts or bond monies. He stated that the whole idea in the budget this year was to not effect those accounts and balance the budget by cutting expenditures however if the Council chooses to continue to utilize the reserves then the budget can be balanced with minor adjustments. We are then affecting the reserves which will eventually be depleted. He emphasized the need to cut expenses or continue the trend of borrowing from the reserves knowing that the reserves will eventually

expire. There will be money but that money would be reserved and not used for operating and payroll.

COUNCIL MEMBER COMMENTS

Councilman Heine stated that we've been in workshops every other Tuesday for 6 weeks and we have listened to all the departments which have cut as far as they can. We have a garbage truck over ten years old that costs more in repairs and older Police Department cars that need replacing. Eliminating the Police Department is a last resort and we have more time to make a decision. There is \$3 million dollars in reserves however that money would be for any disasters.

Councilman Fink stated it was nice to see a crowd tonight and people he has never seen at a meeting before. He continued that if we don't put all of the options forward we are not doing due diligence and to suggest that the figures are not correct when one has not been at a meeting is pharisaical at best. He stated that he has done what he needed to do on this and he is not suggesting we eliminate the service but look at the possibility of elimination not because it is something he wants to do but something that may have to be done if we are going to exist as a City. Further, he stated that the budget deficit was not something he made up out of thin air as we have been hearing this from Council Members and Council Members' spouses for months however tonight that seems to have changed. We need to look at all options available to the city. There are no other departments to cut as all are skeleton budgets and that's a fact.

Councilman Allen stated that we are not through with the budget; we have a long way to go. Council will have to make decisions as we put together the budget in the most honest way and try to save everyone that we can. He finalized that we have called the Fire Department when the house is not on fire. It's been shocking hearing comments about something we don't know a lot about, the money is here we just need to put it in the right place.

Mayor Keene says he has mixed emotions; he came to this Council to make a difference. He appreciates the comments and all of the Council takes the job seriously. He stated that he does not make any decisions lightly and sometime takes longer to come to a decision. You may recall, he continued that we talked about the public safety budget and at that time he told Marshal Lee that if we reduce the Police budget there would be a reduction in services to the citizens and less than what we have come to expect. He stated he is a native Arcadian and committed to doing what is best for the City and he hopes his actions will reflect that. He noted to Mr. Waller that he may have missed meetings several years ago when the Council did have an option to outsource the water service and purchase water from the county. The Council conducted their due diligence and was able to demonstrate the City could continue to have an asset in its water plant. We hold many budget workshops that help us make an educated decision for the community. He added please don't think we are singling out the Police Department, although it seems a focus and rhetoric shadows the real issues, I am committed to do what is best for the city. He agreed with Councilman Allen that this is a process, we have workshops to gather information, we solicit great ideas and we have

time on our side to work towards doing what is best for the citizens, staff and community.

ADJOURN

Having no further business, the workshop was adjourned at 6:55 PM.

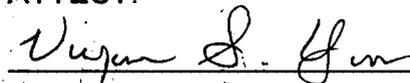
APPROVED THIS 7th DAY OF August, 2012

By:



Keith Keene, Mayor

ATTEST:



Virginia S. Haas, CMC
City Recorder