

**AGENDA MINUTES**  
**BUDGET WORKSHOP**  
**CITY OF ARCADIA**  
**TUESDAY, JULY 22, 2014**  
**6:00 P.M.**

*The following minutes reflect action items of the City Council of the City of Arcadia. For a verbatim copy of the minutes, you may contact City Administration to obtain a copy of the recorded meeting.*

**CALL TO ORDER, INVOCATION, PLEDGE OF ALLEGIANCE & ROLL CALL**

The Mayor called the meeting to order at approximately 5:00 p.m. with the following members and staff present:

**Arcadia City Council**

Mayor Alice Frierson  
 Councilmember Keith Keene  
 Councilmember Robert W. Heine

Deputy Mayor Joseph E. Fink  
 Councilmember Robert R. Allen

**Arcadia City Staff**

City Administrator Tom Slaughter  
 City Clerk Penny Delaney  
 Finance Director Beth Carsten

The Pledge of Allegiance was recited followed by roll call.

**Agenda Item 1 – Discussion and Setting of 2015 Millage Rate**

The Finance Director, Beth Carsten, stated this was the first meeting and she hoped she had provided enough data to Council to determine the proposed millage rate. She advised she used the State of Florida, Department of Revenue's forms to determine the millage and proposed ad valorem rates. She stated that their determination showed that if the City chose to do roll back, because the values have gone down, it would allow the City to make the same revenue that was generated last year. She presented three (3) scenarios for Council to consider. She advised that if Council chose any of the percentages, the City would not have to do the full blown ad because they would not be showing an increase, so they would just have to do the shorter part of the ad showing the millage rate and the budget since this would not be an increase; anything higher, they would have to. Councilmember Keene wanted to ensure that everyone understood that there had been a decrease in value in property which was causing Council to consider adjusting the millage, but it was also important to know what was set tonight would be an interim millage and it could be adjusted later. He stated he was agreeable for purposes of setting a millage rate at the rollback rate. Ms. Carsten asked if they would want to state what their highest would be. Councilmember Keene stated that he would not want it to be any higher than the rollback rate. Mayor Frierson stated that in order to set the trim, she would go with the rollback

rate so they can reduce it if they want to. Deputy Mayor Fink was in agreement, however, he felt that they may not want to go with the trim with the rollback rate, but with the actual because if Council is of the mindset to not increase taxes then why not just set it at that and set it as the lowest. Ms. Carsten asked if he meant as last year's to which he agreed. Councilmember Keene pointed out theoretically it's not an increase in taxes and he stated that they stayed with the rate that it was the year before. He asked when the actual rate had to be established. Ms. Carsten stated it's around October 3<sup>rd</sup>. Mayor Frierson asked how many meetings they are required to have. Ms. Carsten advised they are required to have two (2) meetings. Once the millage rate is decided, they have to certify back to the property appraiser and the first hearing has to be set at that point and it will go out with the trim notices. The two (2) hearings have to take place by the end of October. Deputy Mayor Fink stated that no action could be taken that night because it was a workshop, but he stated that he didn't feel raising taxes at all was reasonable. Ms. Carsten stated this had to be certified back to the property appraiser by the third of August and asked if a meeting should be called before then. Deputy Mayor Fink suggested that since they were meeting the following Tuesday, they should have a special one (1) item meeting as a special meeting. Ms. Carsten confirmed that on the 29<sup>th</sup> at 5:00 p.m, they would have a one (1) item special meeting to vote on the tentative millage rate. It was decided they would move right into the budget workshop afterward.

#### **Agenda Item 2 – Overview of 2014 Revenue and Expense Projections**

Ms. Carsten reviewed the revenue and expense projections with City Council. Mayor Frierson asked if she had had any discussion with the County regarding the nine cent gas tax. Ms. Carsten advised that she had spoken with the County and they stated that it was just a matter of the City sending them the paperwork to request it. Mayor Frierson asked what the percentage of that would be and Ms. Carsten stated it would be 25% and it would be around \$25,000.00 - \$30,000.00 based on last year's numbers. Deputy Mayor Fink suggested that before they go into negotiations with the County, maybe they should have the City Attorney see if they are constrained from negotiating a better deal than what is anticipated from the County because other counties do not have the County divide that. Other counties go into negotiations depending on not only the population level, but where those facilities that sell gasoline are located. He felt it might be prudent to ask the City Attorney to actually look into the law before they go into negotiations with the County over this since there might be a bigger chunk than just the \$25,000.00. Ms. Carsten stated that she would speak to the City Attorney about it.

Regarding the technical assistance planning grant, Mayor Frierson pointed out that the City had \$25,000.00 budgeted and the proposed was \$15,000.00. She asked if the City would get \$25,000.00 next year. The City Administrator stated that this year, the State notified the City that the City is eligible for a technical assistance grant which is up to \$25,000.00 or a competitive Florida grant which is generally between \$25,000.00 and \$40,000.00. Because it comes from the same pot of money, the City can actually get approved for both, but they will only award one. He stated that obviously they will go for the higher value grant. Mayor Frierson questioned as to whether we were pretty much guaranteed the \$25,000.00 and the City Administrator stated that we were.

Discussion was made regarding the golf course and pro shop. Mike Kotzker, the Golf Course Director, advised that they had increased the rates and a lot of work was being done on the course. He further advised that they had lost a lot of membership in January. Mayor Frierson asked how much was increased and Mr. Kotzker advised it was 30%. He stated the condition of the course was better and they are still the cheapest in the area. He advised they were saving on the leases with the equipment and golf carts. He further advised that they would be eliminating one (1) position in the back and using a temporary service for five (5) months.

Regarding expenses, Ms. Carsten stated that initially they were looking at approximately a 34% hike increase in health insurance, but they have been able to get it down to approximately 14% and hopefully it will continue to drop. More discussion was made and it was determined that they would determine what the hard costs will be and then have another discussion regarding it.

Discussion was made regarding administration, various departments, salaries, schools and conferences. Mayor Frierson expressed she has a hard time justifying spending money for a conference with a budget such as this. Councilmember Keene stated that he would also, unless he was going to qualify what they were attending for. He also stated that he has mixed emotions about paying someone to maintain a certification that they already have. He felt that should be some of their responsibility. He stated they want their staff to have an awareness of and be educated of what the most recent trends are. He felt training through the Florida League of Cities is justified. Deputy Mayor Fink stated that cities need to have trained individuals on their staff, not just competent ones, using the City's Clerk's position as an example. He suggested three (3) workshops be held to cover the budget material presented. Discussion was made and it was agreed to schedule workshops on August 12, 2014 at 5:00 p.m. and August 26, 2014 at 5:00 p.m. Ms. Carsten announced a special meeting would be held on July 29, 2014 at 6:00 p.m. and continue with a budget workshop. She then stated that there would be a meeting on August 12, 2014 at 5:00 p.m. Councilmember Keene confirmed there would be a regular meeting on August 5, 2014. Ms. Carsten stated that there would also be a meeting on August 26, 2014, at 5:00 p.m.

Deputy Mayor Fink asked if there was going to be any additional expenses regarding finance and the computer system. Ms. Carsten stated that they had got to a certain point and she didn't feel they should do anything else for this year. She stated there are some hardware issues with the server regarding the e-mail exchange and it's approximately going to cost \$8,000.00.

Ms. Carsten stated she had lowered legal counsel due to a jump from last year and the fact that a small amount had been spent up to date. Deputy Mayor Fink asked if legal services deals with, or if it is through the insurance itself, when there's a suit against the City. Ms. Carsten advised the amount covers many issues, i.e., labor, etc., areas that the City Attorney does not cover. Deputy Mayor Fink stated that even if a suit is settled out even through an insurance company, he'd like to know about it because that could be the reason the rates are going up also.

Regarding Code Enforcement, City Council was advised of the professional fees increase for the Special Master and also the part-time water department meter reader who will be also

working with Code Enforcement with his funding being split between the water department and code enforcement.

The City Administrator stated that Mr. Boone with the cemetery is planning on retiring and if Mr. Underwood hires a replacement for him at that time, it will be at a significantly lower salary. Discussion was made regarding a possible GPS system for plot information.

Regarding the Way Building, the subject of re-carpeting the building was discussed. Doing away with the cleaning contract was also discussed and replacing the cleaning crew with a staff employee to provide a better service level. Steve Underwood advised Council of the generator that was hooked up to the building in the event of a catastrophic event. He felt monies should be allotted for it under contractual services. Deputy Mayor Fink asked how much he thought needed to be allotted. Mr. Underwood stated that he wanted to be safe and suggest \$2,000.00, but he didn't think it would be anywhere near that amount. Deputy Mayor Fink asked for more information to be presented at the next meeting.

Mayor Frierson asked what happened to the \$400,000.00 that was allotted for street projects in the 2013-2014 budget. Someone from the public stated it was under surtax. Ms. Carsten stated she didn't know, but would find out.

Ms. Carsten asked Mr. Underwood to address City Council regarding an issue with Parks. Mr. Underwood advised Council of the ball field usages by various entities as such pertains to electric bills. He stated the electric bills are not being paid by these entities. After much discussion, Council directed Mr. Underwood to have the representatives from the various entities to appear before them at the next Council meeting.

The idea of getting the inmates back was discussed with spreading the charges out among the various departments. Ms. Carsten asked if they wanted to proceed with the idea. Deputy Mayor Fink pointed out that last year they were "held hostage" over the issue of vacation times of State employees during the crucial time of the year and the inmates not being made available during that crucial time. He also pointed out issues regarding the lack of close supervision with the Trustees.

Mayor Frierson asked if there was any word on the audit. Ms. Carsten advised that there was not. Mayor Frierson stated the reason she was so interested was because in the 2012 audit that they received, there was \$972,000.00 in the fuel tax reserve fund and \$979,000.00 in the capital improvement reserve fund and she can't find it in the budget that they're finishing up. She stated she hopes the auditor can tell them what happened to those funds.

Ms. Carsten announced the next special meeting will be July 29, 2014 at 5:00 p.m. and then continue on with the workshop.

## **ADJOURN**

Having no further business at this time, the meeting was adjourned at 7:25 P.M.

ADOPTED THIS 20<sup>th</sup> DAY OF September, 2014.

By:

Alice Frierson

Alice Frierson, Mayor

ATTEST:

Penny Delaney

Penny Delaney City Clerk