

**AGENDA MINUTES
BUDGET WORKSHOP
CITY OF ARCADIA
TUESDAY, JULY 29, 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 6:00 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

Mayor Frierson stated that this would involve the water/sewer fund and turned it over to the Finance Director, Beth Carsten.

Agenda Item 1 – Water/Sewer Fund – General Fund

The Finance Director, Beth Carsten, stated they were prepared to talk about the water/sewer fund and also the general fund. She advised she had not made any changes since the last time Council discussed the issue because she was still waiting on hard numbers regarding the health insurance. She asked if it needed to be brought to Council in an actual Council meeting if they were going to make a decision about making a change or did it need to be in a workshop setting and then taken to Council. After much discussion, it was agreed to put it on the agenda for discussion at the next meeting. Ms. Carsten asked if there were any questions regarding general fund or did they want to go right into water/sewer.

Deputy Mayor Fink stated he was very troubled by the \$3,000.00 that they are anticipating making a profit which includes raising golf memberships by 30% which means they might lose some golf memberships. He felt they should look at the possibility of either outsourcing it or possibly selling it. He didn't see how they could afford it and he didn't think they would make what the anticipated revenue is going to be. Councilmember Keene stated he didn't disagree totally, but looked at it from a different perspective. He felt a conversation with doing something different with the golf course is something that they need to do as they should

do with all assets that they own. He felt that for purposes of the budget, he stated they still own the golf course and would like to move forward with a positive attitude. He stated that the golf course had been outsourced in the past, but if they need to make adjustments as the year goes on, then they should make them. Deputy Mayor Fink stated that he would like to look at all the options. Mayor Frierson stated that she knew the revenues came from the state and they didn't meet them this year and didn't see how they would be able to make them next year with an increase. Ms. Carsten advised she and Mr. Kotzker have had several conversations and he's worked on several things with the expenditures to bring those things down. Changes haven't been made in the book yet, but he is very aware of those issues. Mayor Frierson asked if there were any other questions regarding the general budget and there was not.

Ms. Carsten moved on to the water/sewer. Regarding the revenues, she stated increases were discussed and those numbers are included for Council's review. She advised the water/sewer revenue funds are estimated at 3% increase which is what was done last year. Deputy Mayor Fink advised those are automatic increases that come over from the original vote when they raised the water and sewer rate. Ms. Carsten stated that most of the late fees collected this year were in the first quarter and they went dramatically down since March and April. She also stated that revenues are coming up consistently. Mayor Frierson asked what was being done to avoid another situation like Stonegate. Ms. Carsten advised that individual meters had been installed.

The City Administrator advised that the City Mobile Home Park Manager had identified a possible opportunity to at least more accurately reflect the costs by the meter. A.J. Berndt advised that none of the mobile homes are metered so they have no idea how much water is being used in that area so it was suggested a master meter be put going into the mobile home park to get a monthly account of how many gallons are used. Ms. Carsten advised that right now it's just a flat rate. Councilmember Keene stated that we didn't know if the \$80,000.00 which was alleged is accurate or not and he felt this needed to be addressed at the mobile home park. Steve Underwood stated that he felt that the park residents should be charged a minimum fee and as it is now, they're not being charged as it is a flat rate basis. Deputy Mayor Fink pointed out that without knowing what people are using, there could be a serious leak out there or any of a number of things and he stated this all affects sewage disposal as well. Councilmember Keene asked Fred Lewis if the water loops around or if it dead ends and Mr. Lewis stated that it loops around and ties back into itself. Mr. Lewis stated that as far as the meter that is in the plans for Highway 17, he already has the meter and it's ready to go. He advised when they re-loop the waterline, it will be installed. Councilmember Keene asked if there was a timeframe on it and Mr. Lewis stated he's been told before the end of the year they will be starting. Ms. Carsten asked if there were any questions regarding the revenues at this point and there were not any.

Ms. Carsten moved on to the Water Treatment Plant and introduced A.J. Berndt to answer any questions. Councilmember Keene asked Mr. Berndt to walk them through the changes in salary since it is projected to be less than what it was this year. Mr. Berndt advised that Larry Bullion retired and they are a little short-handed, but there are plans to become more automated. He stated that DEP has recommended that they don't have to man the plant seven (7) days a week. Councilmember Keene asked him to help him understand the utilities. Mr. Berndt

stated they had to factor in the interconnect due to a credit that was exceeded. He further stated they are still in negotiations with the County and they plugged in a number which was probably a little high, but better safe than sorry. Councilmember Keene asked a question regarding the reduced expense with operating supplies. Mr. Berndt stated there is still a warranty on some of the parts and there is a fund that they can draw out of if necessary. Mr. Berndt stated that every five (5) years the DEP requires the tanks to be cleaned and certified and this was the fifth year. Ms. Carsten advised we won't have that expense next year. Mayor Frierson asked if the chemical increase is due to the price of the chemicals and Mr. Berndt stated that salt cost is up which is out of our control, but they are trying to extend the amount of time that the salt is used. Ms. Carsten asked if there were any more questions regarding the Water Treatment Plant and there were not.

Ms. Carsten moved on to the Wastewater Treatment Plant. Councilmember Heine asked if the chemicals were still going up and Steve Underwood replied that they vary, but advised that when they go up, it's normally around the first of the year. Mr. Underwood stated that he is working on an agreement with WCA that will go to the City Attorney for the verbiage and then it will come before Council for approval or disapproval and either sign into the agreement with WCA to treat their leachate water. With this agreement, the City will make a little money to pay for the chemicals. The City Administrator asked Mr. Underwood, knowing how long it took to build the Water Treatment Plant, what he thought about the lifespan of the Wastewater Plant and when does he think Council need to start looking forward down the road. Mr. Underwood stated that time would be right now. The City Administrator asked Mr. Berndt how many years, from the time of the initial thought to selecting a financial model to CO, was it in the making. Mr. Berndt stated it was approximately three (3) years. He advised it went a little faster because it was a shovel-ready job at the time and Hazen and Sawyer captured the grant really fast and the plans were turned over really fast. The City Administrator asked that assuming no major expansion of the plant, what percent it was operating now from total capacity. Mr. Berndt replied that the total capacity was 1.5 million gallons a day and right now they were at 700,000 or 800,000. Mr. Berndt advised that they designed the plant so they could expand it. Steve Underwood stated that he felt the infrastructure needed to be looked at first before the plant. To back up his thought, he pointed out that they were dealing with 800,000 gallons a day and over a three day period, during Hurricane Charley, it went to 300,000,000 gallons which is infrastructure. He stated that those problems need to be addressed first. He advised that the wastewater plant was rebuilt in 1991 and it's done a great job and is still doing a great job, but the efficiency in the plant is going down. Until the infrastructure is addressed, we're fighting an uphill battle. He advised there are many clay and asbestos pipes that are cracked, manholes with seepage in them, lift stations with concrete walls built around them that has water coming through the concrete walls during the dry season. Mayor Frierson asked if there were any more questions for the Wastewater Treatment Plant and there were not.

Mayor Frierson asked why the salaries have gone up in utility billing. Ms. Carsten stated there were some big changes in this department with moving people around and health insurance and other issues were not figured into the budget. There were several people who were moved into that department. The subject of visa and mastercard charges were discussed and the number of people who use it. Councilmember Keene asked if there was a charge to the customer for

using it and Ms. Carsten advised that there was not. He advised the State of Florida had gone to online permitting and bill pay also and there is a convenience fee. He thought that might be something that should be given some consideration. Deputy Mayor Fink suggested they may want to look into the agreement that was signed because generally you have a service of contract for a period of years and equipment payment for a period of year and if you don't follow the agreement, you can be dealt a severe penalty. Ms. Carsten stated that she would investigate it and come back with options. She asked if there were any other questions regarding utility billing and there was not.

Ms. Carsten moved on to Water/Systems and Councilmember Keene questioned the salary increase. Fred Lewis advised that he had requested another laborer due to upcoming projects. Ms. Carsten advised that regarding the Highway 17 widening project, the City will not be reimbursed until after it is completed, but the expenses had to be paid. Ms. Carsten also pointed out that the figures look good this year because benefits dropped when so many people left last year which made the figures much lower.

Ms. Carsten moved on to the sewer department and advised that she and Mr. Lewis had discussed the possibility of taking the one employee that he's looking at hiring and splitting him between these two (2) departments because he could actually use him in both and it would spread the money around a little bit. Councilmember Keene questioned the contractual line item and Ms. Carsten advised it included the inmates. Mayor Frierson questioned the vehicle repair and Mr. Lewis advised that the trucks were getting quite a bit of miles on them.

Ms. Carsten moved on to solid waste and she advised there was a 2% increase. Steve Underwood stated the 2% was not included in the 2% increase on dumpsters, but dumpsters, residential and commercial garbage service have always been included together. He stated his personal opinion was that they should be separate. He advised residential pickup and dumpster pickup is the same thing, but rates were last increased on dumpsters in 2011. He further advised that a survey had been done within a five (5) county area and other than Hardee County for dumpsters; we're the lowest in that five (5) county area. He advised Hardee County is the lowest and after looking at their tipping fees vs. their dumpster fees, he didn't know what their billing is, but he didn't understand how they were making any money. He stated that from Manatee County, Sarasota County and Charlotte County, we're the lowest on dumpster rates. Mr. Underwood advised there was another county, but he couldn't recall which one, but advised he had it and could provide it to Council at the next workshop. Councilmember Keene stated that he would like to see it and he would be interested to know how often the dumpsters are emptied and who monitors what goes in those dumpsters. The possibility of an ordinance addressing the issue was discussed. Mr. Underwood asked regarding the garbage and dumpster revenue, did Council want to include the dumpsters in that 2% increase or do they want to see the figures from the other counties first or do they want to separate the garbage and dumpster revenues separately. Councilmember Keene felt that since they had time and were having workshops, they should give this some consideration. The City Administrator asked Mr. Underwood if he had to guess what the dollar value of money was they recouped since the dumpsters were inventoried. Mr. Underwood stated it was roughly \$141,000.00. Mr. Underwood was presented with the dumpster rates which were previously discussed from a staff member and he provided

same to the City Council. Deputy Mayor Fink stated that with Council knowing there are serious problems and deficiencies with this, he felt they needed to deal with possible ordinance changes to shore up those deficiencies in the system so this doesn't reoccur. Mayor Frierson asked that a presentation be brought to Council after the budget is completed so this can be addressed. Mr. Underwood agreed that he would.

The City Administrator stated that the next workshops would be August 12, 2014 and August 26, 2014 at 5:00 p.m.

MAYOR AND COUNCIL MATTERS

Councilmember Heine stated that he had been here a long time and he felt this was the best they had had so far with getting their people involved. He advised that before, no department heads were a part of it and the administrator did it all, but now department heads meet and come up with their budget and bring it before the Council. He felt it gives them a better idea of what's going on.

ADJOURN

Having no further business at this time, the meeting was adjourned at 7:20 P.M.

ADOPTED THIS 2nd DAY OF September, 2014.

By:

Alice Frierson
Alice Frierson, Mayor

ATTEST:

Penny Delaney
Penny Delaney, City Clerk