

AGENDA MINUTES
CITY COUNCIL
SPECIAL ONE ITEM AGENDA MEETING – FIRST BUDGET HEARING
CITY OF ARCADIA
TUESDAY, SEPTEMBER 6, 2016
5:01 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.

INVOCATION, CALL TO ORDER AND ROLL CALL

Pastor Michael Rue of St. John's Missionary Baptist gave the invocation which was followed by the pledge of allegiance. The Mayor called the meeting to order at approximately 5:01 p.m. and the following members and staff were present:

Arcadia City Council

Mayor Susan Coker

Deputy Mayor Frierson

Councilmember S. Delshay Turner

Councilmember Joseph E. Fink

Councilmember Judy Wertz-Strickland

Arcadia City Staff

City Administrator Terry Stewart

City Clerk Penny Delaney

Finance Director Beth Carsten

ACTION ITEMS

Resolution No. 2016-14; a Resolution Adopting the Tentative Millage Rate to be Levied by the City of Arcadia, Florida for Fiscal Year 2016-17

Resolution No. 2016-15; a Resolution Adopting the Tentative Budget for the City of Arcadia, Florida for Fiscal Year 2016-17

City Administrator Stewart advised the City Finance Director would provide a presentation which was essentially the same presentation City Council received at the budget workshop, but not quite as detailed. He thanked them for their work with staff to get to where they are today. He advised there were very little changes and one (1) change was a recommendation to Council regarding the millage rate. Mr. Stewart stated that staff had originally recommended that Council go to the roll-back rate, but the difference was very minor, and they were recommending the millage rate to remain the same as the current fiscal year. He advised it had been possible to readily absorb it within the budget without a great deal of problems.

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He also advised Council that one thing they would see, prior to the final budget hearing along with the final budget, was a victory list which is a list of accomplishments from each department throughout the year. He stated that it would be posted on the website so people can see the fruits of the work that Council has done with the budget and with decisions made throughout the year.

Finance Director Carsten stated that she wanted to review the specific required resolutions and if there were any questions, then they could discuss such. Ms. Carsten pointed out that they were recommending the 8.8195 percent which was last year's millage rate. She advised that the difference between last year's millage rate revenue compared to the rollback is Nineteen Hundred Forty-Eight and 00/100 Dollars (\$1948.00) which they were able to absorb. She stated that it was possible to balance the general fund with these numbers without using fund balance. Ms. Carsten advised that the general fund, with contemplating that amount of money with the ad valorem taxes, would be Five Million One Hundred Sixty-Six Thousand Nine Hundred Fifty-Seven and 00/100 Dollars (\$5,166,957.00). She informed Council this was the recommendation staff was making for Resolution 2016-14 for the tentative millage rate. She asked if there were any questions and there were none. Councilmember Fink made a motion to approve the adoption of the millage for 2016-17 at 8.8195 and Councilmember Wertz-Strickland seconded the motion. No discussion followed and it was unanimously, 5/0, approved.

Ms. Carsten stated that Resolution 2016-15 adopts the tentative budget and stated that a summary of all funds had been provided in the Council's packets. She advised that the general fund was Five Million One Hundred Sixty-Six Thousand Nine Hundred Fifty-Seven and 00/100 Dollars (\$5,166,957.00); the small county surtax was Two Hundred Ninety-One Thousand Six Hundred Eighty-Seven and 00/100 Dollars (\$291,687.00); the road and street projects was One Million and 00/100 Dollars (\$1,000,000.00); the water and sewer fund was Four Million Two Hundred Nine Thousand Eight Hundred Seventy-Two and 00/100 Dollars (\$4,209,872.00); the solid waste was Seven Hundred Eighty-Nine Thousand Two Hundred Seventy-Five and 00/100 Dollars (\$789,275.00); and the airport was Five Hundred Seventy-Nine Thousand Four Hundred Fifty-Four and 00/100 Dollars (\$579,454.00). She stated there was very little change from the original numbers which were discussed at the workshop. Mr. Fink inquired as to the figures which dealt with the increases in the water and sewer fund and trash and Ms. Carsten advised it was covered in the next slide of the presentation. City Administrator Stewart reminded Council that due to the discussion that ensued at the budget workshop, he wanted Council to have as much information as possible as they came to their conclusions. He stated that since the increase in the utility rates was three percent (3%), figures had been provided from that base and showed what the difference in revenue would be if they went with two percent (2%), one percent (1%) or zero percent (0%). He advised staff was not recommending a change, but should Council choose to make a change, said information is what would be needed to understand what the impact would be.

Councilmember Fink stated they should be reminded that since the 2012-13 budget year, rates for water and sewer revenues have increased thirty-four percent (34%) over the course of that period of time if they go with the proposed rate of three percent (3%). He implored Council to not add the automatic increase this year. He stated he felt they were able to pay for service on

the note for the water plant and he felt they were putting away money in excess than what they had previously and he asked Council to change it so they would have to vote on it annually. Councilmember Wertz-Strickland stated that she had performed some research with included Wauchula and Lake Placid. She advised that when she looked at what a three percent (3%) increase would be on a minimum water bill it was Two and 57/100 Dollars (\$2.57). She stated that she reviewed a bill from Lake Placid and just the increase in the garbage alone was Two Hundred and 00/100 Dollars (\$200.00) a year over and above what is already being collected. Regarding Wauchula, they collect more for the water, sewer and garbage than Arcadia does. She further stated that she does not agree with continually increasing, but after reading the study that was done, the study was good through 2018 and their recommendations were to make that increase and then go back and do another study. She felt they should leave it at three percent (3%) this year with a stipulation that a study be done so they will know where they stand on it. She stated she believed the increase was warranted and felt they should do a study to compare against the study already done to substantiate not doing that. Councilmember Wertz-Strickland commented that the studies are expensive and if you are going to pay that kind of money for advice, why would you not abide by it.

City Administrator Stewart advised that he and Finance Director Carsten had had many discussions regarding this particular item and how to handle it if it went one way or the other. He stated that money specifically set aside for a rate study was not included in this year's budget, however, if Council decides it wishes to do so (which he thought was a wise choice); there is a contingency within the utility fund which would more than adequately cover the cost of a rate study. He recommended that if Council was willing to do it and wanted it ready for the next budget cycle, they would need to start sooner rather than later because it would take six (6) to eight (8) months to accomplish a rate study.

Councilmember Fink stated the rate study was not done for trash, and a rate study for trash had never been imposed, yet they had increased the rates for trash seventeen percent (17%) since 2011-12 budget to the current period. Councilmember Wertz-Strickland that she would rather pay Two and 57/100 Dollars (\$2.57) more for water than have a catastrophic event take place that they cannot afford whether it be water, sewer or garbage.

Mayor Coker stated that there was not a water, sewer or garbage collection increase for a long time which is what accounted for the big increase that happened; along with the three percent (3%) that makes it thirty-four percent (34%). She further stated a garbage rate study needed to be done, as well as a water rate study and City Administrator Stewart stated that if the rest of Council was in agreement, he would add it to the plate as they do the next study and there was a common consensus of Council to do so. Deputy Mayor Frierson stated she had always been a proponent of putting the garbage bill on the real estate taxes and City Administrator Stewart advised many communities do so and he stated that was going to be one of his recommendations for the future. She felt they would collect more fees if it was on the real estate taxes and she stated it would provide a truer picture of the water bill. Mr. Stewart asked Finance Director Carsten if she knew how many years the utility bills remained fairly constant before the current cycle of increases began. Deputy Mayor Frierson stated it had been about ten (10) years

and Ms. Carsten agreed. Regarding the rate increase, Mr. Stewart advised such was a policy matter, but regarding the rate study of water, sewer and solid waste, he advised he wholeheartedly supported it and would move forward with it. Councilmember Fink stated that the resolution regarding the increases was written to advocate responsibility and was done with the intent that the increases would go on in perpetuity without an additional vote.

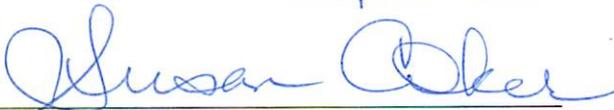
Councilmember Wertz-Strickland made a motion to accept the budget as is and Deputy Mayor Frierson seconded the motion. Councilmember Fink stated that he wished the City Attorney was present because he would ask him if Council could, in fact, repeal the resolution (regarding increases) with a simple vote. Mayor Coker stated that could be done at a later time when they find out the correct way to go about it. City Administrator Stewart stated that without trying to push Council in one direction or the other, but he reminded Council that if they decided to do something different with the amount that is within this year's budget, then they will have to figure out what can be cut out of that budget. Councilmember Wertz-Strickland stated that she felt it was a good budget, that it balanced and she felt they needed to stick with it. Mayor Coker asked the City Clerk to take a roll call vote. The City Clerk did so with the following results: Councilmember Wertz-Strickland voted in the affirmative, Councilmember Turner voted in the affirmative, Deputy Mayor Frierson voted in the affirmative, Mayor Coker voted in the affirmative and Councilmember Fink voted negative. No discussion followed and it was, 4/1, approved with Councilmember Fink casting the dissenting vote for the reasons he stated above. Councilmember Wertz-Strickland asked additional questions regarding the rate study and the resolution that dealt with the increases. Councilmember Fink stated that the resolution was not written to justify the rate study, but it dealt specifically with increasing the rates in perpetuity. City Administrator Stewart stated that the resolution did not tie the automatic increases to the timeline outlined within the rate study. Mayor Coker asked if there were any other comments and Finance Director Carsten advised that the next public hearing would be September 20, 2016 at 5:45 p.m.

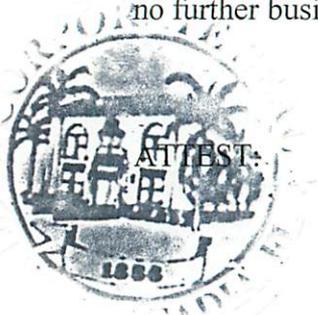
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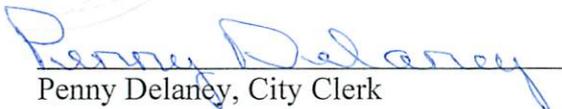
Councilmember Fink made a motion to adjourn and Councilmember Wertz-Strickland seconded the motion. No discussion followed and it was unanimously, 5/0, approved. Having no further business at this time, the meeting was adjourned at approximately 5:47 P.M.

ADOPTED THIS 20th DAY OF September, 2016.

By:


Susan Coker, Mayor




Penny Delaney, City Clerk