

BUDGET WORK SESSION

JULY 19, 2005

A Special Budget Work Session of the Arcadia City Council was held on July 19, 2005 at 6:00 p.m. in Room D of the Way Building at 23 N. Polk Avenue. Councilmembers attending were: Whitlock, Heine, Johnson, Goodman, and Fazzone. Also in attendance were: Administrator Strube, City Marshal Lee, Fire Chief Rutherford, Public Works Supervisor Reed, Special Projects Coordinator Hewett, and Recorder Baumann.

Mayor Whitlock called the Budget Work Session to order.

The Invocation was given by Mayor Whitlock.

Pledge of Allegiance to the Flag.

Administrator Strube stated that the Fiscal Year (FY) 2005-2006 budget has been tentatively balanced using the same millage rate as the last four (4) years of 8.9963. Administrator Strube noted that the maximum millage rate allowed is 10 mills and we are trying to stay under 9 mills. He hopes that assessments continue to increase; however the "Save Our Homes" amendment limits the increase in property assessments to 3% per year and properties are reassessed every three (3) years. Currently the City is averaging a 3% per year increase which generates about \$50,000.00 in new tax dollars. The proposed millage rate is greater than the rollback rate by less than 1% and is expected to increase Ad Valorem tax revenue by \$31,079.00 over last year's levy.

Administrator Strube reported that we are still trying to keep up with increases in health, liability, and workers' compensation insurance premiums. These increases have been offset by staff reductions and budget cuts from last year. A 10% increase in premiums has been budgeted for FY 05-06.

Administrator Strube noted that due to budget cuts last year no employee merit increases were awarded. He reported that an employee increase of 3% has been factored into the FY 05-06 tentative budget. The cost to implement this increase is estimated at \$109,797.00.

Fazzone suggested that the Council require the Arcadia Housing Authority to pay taxes since they now appear to be in a financial position to pay them. Administrator Strube stated that the Council had received a five (5) page letter from the Arcadia Housing Authority detailing their recovery plan. The City is currently looking to trade properties with the Arcadia Housing Authority and Administrator Strube suggests that the City continue to work out a trade agreement before requiring the payment of taxes. Administrator Strube did say that the Council could ask the Arcadia Housing Authority if they could afford to pay the City taxes owed.

Budget Work Session
July 19, 2005
Continued

Fazzone then stated that he would like to see all of the non-profits sponsored by the City including the Chamber of Commerce give an accounting of all City funds received.

Administrator Strube stated that Ambulance collections are down. He also reported that the reduction in Court Fees is the result of new legislation regarding Title V funds and how they are distributed noting that this is a reduction in funds to the City of about \$40,000.00 per year.

It was noted that the Council will receive an increase beginning in October 2005.

Marshal Lee addressed Council to request one (1) new police car. Administrator Strube reported that the Police Department did receive two (2) new cars this year. One car was a replacement for a vehicle that had been damaged by Hurricane Charley and rental costs incurred were applied to purchase an older vehicle. Marshal Lee reported that the vehicles in his fleet are very old and that repair bills are increasing due to the age of the vehicles. Marshal Lee then reported that his department now requires a contract from all new officers that they stay with the City for two (2) years after finishing school or re-pay the City for all costs incurred for schooling. Mayor Whitlock and Councilmember Heine both stated that they would like to see the Police Department receive one (1) new vehicle in FY 05-06. Administrator Strube will re-allocate funds from the General Government contingency account to the Police Department to cover the cost of a new vehicle. Marshal Lee then requested that the longevity increases be re-implemented. Administrator Strube would also like to re-implement the buying back of vacation and sick time. Council agreed with the request.

It was noted that repairs to Fire Station II have begun. Fire Chief Rutherford asked if a new Public Safety Building was still being considered and was informed that at this time the only possible funding would be a 50/50 grant or loan to which the City can not commit.

Marshal Lee suggested that Council change the current agreement with DeSoto County regarding the Anti Drug grant and that the City have their own Anti-Drug Program. He stated that the City is loosing out on a sizeable amount of sized drug funds because the funds now go to the lead agency which is DeSoto County. Marshal Lee will advise the Council as to the amount of funds the City could have received.

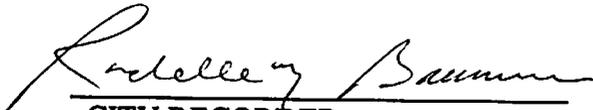
Fazzone questioned the Grants and Aids payments to which Administrator Strube reported who gets how much and for what purpose.

Budget Work Session
July 19, 2005
Continued

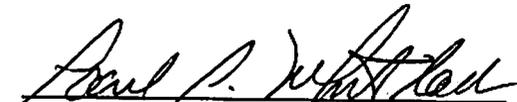
Administrator Strube then reported that Public Works Supervisor Reed and his staff along with assistance from the Department of Corrections have completed cleaning all of the ditches in the City. There was some discussion regarding ditches on Orange Avenue and Monroe Avenue.

Goodman moved to approve the General Fund Budget for FY 2005-06 and adopt the proposed millage rate of 8.9963; seconded by Fazzone and carried.

There being no further business the work session was adjourned.



CITY RECORDER



PRESIDENT