

SPECIAL COUNCIL MEETING

JULY 29, 2003

A special meeting of the Arcadia City Council was held on July 29, 2003 at 5:00 p.m. in Room D of the Way Building at 23 N. Polk Avenue. Councilmembers attending were: Goodman, Fazzino, Heine, and Whitlock. Absent: Johnson was on vacation. Also in attendance were: Administrator Strube, Attorney Holloman, Marshal Lee, Fire Chief Rutherford, several firefighters and Recorder Baumann.

Mayor Goodman called the meeting to order.

The Invocation was given by Councilman Heine.

Mayor Goodman stated the purpose of the special meeting is to review the proposed General Fund Budget for Fiscal Year (FY) 2003/2004 and the first reading of a proposed ordinance setting a new rate for communications tax.

Administrator Strube reported that the General Fund has been tentatively balanced using the same millage rate as last year of 8.9963. It was noted that this rate is greater than the rollback rate of 8.7617 by 2.68%. The proposed millage rate of 8.9963 is anticipated to generate about \$48,588.00 in additional ad valorem taxes based on a 96% collection rate.

A 3% merit increase has been factored into the tentative budget at a cost of \$137,863.00. Administrator Strube increased the budget by 10% for estimated increases in health insurance and worker compensation insurance premiums; however at this time no increase has been budgeted for liability insurance.

Administrator Strube noted that the actual FY 2002/2003 revenue telecommunications tax is lower than budgeted due to the State taking over the distribution of the funds. The City had passed a resolution in 2001 which authorized an increase in the rate to the maximum allowed by state statute; however that rate was only in effect for one year. In order to bring the revenues up an ordinance must be in effect this would increase the rate from 3.7% to 5.52%.

Administrator Strube then reported that the ½ cent sales tax is still down state wide due to the 911 attacks, however it looks to be back up this year. Administrator Strube used the State's estimate for sales tax and special motor fuel which show an increase from FY 2002/2003.

Ambulance fees show an increase from \$80,000.00 to \$150,000.00 due to increasing rates and receiving more collections.

The Golf Course Pro Shop revenue is close to where it was projected due to the recent expansion at the course from nine (9) holes to eighteen (18).

The proposed budget is balanced using about \$295,000.00 of fund balance.

Special Council Meeting
July 29, 2003
Continued

The Street Lighting Grant is shown in both the FY 2002/2003 and FY 2003/2004 budgets as it is not complete. There is the possibility that it may yet be completed in the current FY.

Administrator Strube stated that the millage rate must be set tonight in order to meet the deadline for notification to the Property Appraisers Office. He recommends setting the millage rate at 8.9963 mills.

Marshal Lee stated that he agrees with any cut backs and accepts his proposed budget with one exception. Marshal Lee then addressed Council regarding a disparity between his salary and that of Capitan Anderson. If the budget stays as it is Capitan Anderson will be making more than the Marshal. Council all agreed that the Marshal should make the higher salary. Marshal Lee noted that he had to resign from the Police Department in order to run for office, thereby breaking his tenure which keeps him from getting a longevity increase of 7.5% for fifteen years. Capitan Anderson does get the extra longevity increase which puts his salary above the Marshal. It was noted that the Police Department is the only City department that has a longevity increase. Fazzone moved to increase the Marshal's salary to a base pay of \$58,000.00 per year; seconded by Heine and carried. Administrator Strube asked for clarification regarding the increase to the Marshal's salary and was informed that it is for a base salary and does not include any special state incentives he may be eligible for.

Councilman Heine inquired if the public restrooms were being locked and cleaned every day and was informed that they are.

Councilman Whitlock noted that only a few departments have a reserve account, he would like to see this item increased when possible.

Councilman Fazzone inquired about the City's ladder truck and was informed that it has been taken out of service. The City has applied for grant funds to purchase a new truck; no word has been received on the possibility of funding.

Heine moved to adopt the millage rate of 8.9963 for the FY 2003/ 2004 budget; seconded by Fazzone and carried.

There was some discussion regarding the Property Appraiser's re-appraisal of properties.

Fire Chief Rutherford reported that the 1992 Chevrolet Ambulance was put out for bid twice. The second time a minimum bid of \$7,000.00 was required. Mr. Keith Adler did bid \$7,000.00 and Chief Rutherford requests Council approve the sale to Mr. Adler. Heine moved to accept the bid of \$7,000.00 from Mr. Keith Adler for the 1992 Chevrolet Ambulance; seconded by Whitlock and carried.

Special Council Meeting
July 29, 2003
Continued

Administrator Strube gave an overview of the City's telecommunications tax noting that originally only local phone service was taxed at 10%. That was changed to a reduced rate of 7% which included local and long distance phone service. Several years ago the State took over the distribution of the tax proceeds. The State did a revenue projection which allowed for a lower rate to be levied with the same amount of taxes collected. There were two crucial time periods 1) FY 2001 in which only eleven (11) months of revenue would be collected and 2) FY 2002 which would go back to twelve (12) months. As noted earlier the City did pass a resolution in July 2001 adopting a rate of 5.2%. In FY 2002 the rate went back down to 3.7%. In order to receive the maximum amount of tax revenue allowed by law an ordinance must be in place. This increase is estimated to bring in additional revenue of about \$75,000.00 to \$100,000.00. The Department of Revenue must be notified by September 1, 2003 in order for them to in turn notify all companies remitting the tax of the change. The following ordinance will need to be read at three meetings in order to be effective by September 1, 2003. Council then set a special meeting date for the third reading of the proposed ordinance to be held on August 19, 2003 at 5:00PM.

Proposed Ordinance No. 904 was presented on first reading. Each Councilmember had previously been given a copy for study. Fazzone moved to waive the rules and read the proposed ordinance by title only; seconded by Heine and carried.

ORDINANCE NO. 904

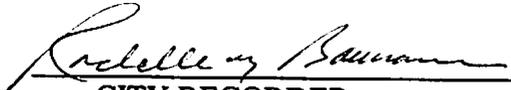
AN ORDINANCE OF THE CITY OF ARCADIA, FLORIDA
AMENDING SECTION 94-31(b) OF THE CODE OF ORDINANCES,
CITY OF ARCADIA, FLOIRDA RELATING TO THE LOCAL
COMMUNICATIONS SERVICES TAX RATE; PROVIDING FOR
INTENT; PROVIDING FOR SETTING THE LOCAL
COMMUNICATIONS SERVICES TAX RATE EFFECTIVE JANUARY
1, 2004; PROVIDING FOR NOTICE TO THE FLORIDA
DEPARTMENT OF REVENUE; PROVIDING FOR SEVERABILITY;
PROVIDING FOR AN EFFECTIVE DATE.

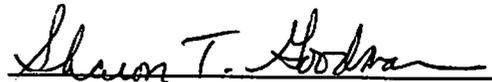
Fazzone then moved to approve Ordinance No. 904 on first reading; seconded by Whitlock. Mayor Goodman called for comments from the public, there were none. The motion carried on roll call vote. Ayes: Heine, Whitlock, Fazzone, and Goodman. Nays: None.

Special Council Meeting
July 29, 2003
Continued

It was noted that Council had received a request to attend a business roundtable with Congresswoman Katherine Harris on Tuesday, August 5, 2003, however it conflicts with the Council's regularly scheduled meeting. Fazzone moved that a letter be prepared for the Mayors' signature and sent to Congresswoman Harris's office notifying her that Council will not be able to attend the business roundtable due to a conflict in schedules; seconded by Whitlock and carried.

There being no further business the meeting was adjourned.


CITY RECORDER


PRESIDENT