

**MAYOR'S CONFERENCE WORKSHOP
WITH CITY COUNCIL REGARDING THE BUDGET
PLANTATION, FLORIDA
JUNE 29, 2011**

The meeting was called to order by Councilman Jacobs, Acting President of the City Council.

1. Roll Call by City Clerk:

Councilmember:	Ron Jacobs Robert A. Levy Lynn Stoner Peter S. Tingom – attended by phone Sharon Moody Uria – attended by phone
Mayor:	Diane Veltri Bendekovic
City Attorney:	Donald Lunny, Jr.

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There was no President or Pro tem; therefore, Councilman Jacobs nominated and accepted to be the President for this meeting.

Mayor Bendekovic explained the purpose of the meeting and advised that the proposed maximum millage will be set on July 13, 2011; currently the millage rate is set at 4.5142. She indicated that Mr. Keefe and Mr. Herriman have been meeting with the Department Directors and there is a difference of opinion on wants and needs in which revenue is being generated. We are here to maintain the current level of services and sustain Plantation for years to come. She stated that we received a .2% increase in property values this year. The direction of the budget was to target a 4% reduction in expenses; eliminate all vacant and on hold positions; no additional General Fund personnel; continue current level of service; limited capital; and carefully examine each line item to justify expenses. This has been done and will continue being done.

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2. DISCUSSION CONCERNING THE GENERAL FUND BUDGET FOR THE CITY OF PLANTATION FOR FISCAL YEAR 2011/2012 WITH THE FOLLOWING DEPARTMENTS

FIRE DEPARTMENT:

Fire Chief Joe Harris was present on behalf of the Fire Department, which represents two budgets. One is for the Rescue Division and one is for the Fire Department, which is theoretically a Volunteer Fire Department. They were tasked with a goal of a 4% reduction and this is one of the departments that did not and cannot meet that goal. They have reviewed and justified each line item. With the funding requested, a level of service can be maintained but short of that it would be difficult to maintain the current service provided. He was pleased to say that about 50% of the goals were met; unfortunately the ones not met were the financial goals.

Chief Harris explained that the Fire Department is a service department; they are in the service delivery business and that equates to personnel costs, which is the majority of the budget. The Rescue Division was started in 1996 with 55 employees and we currently have 58 employees. A combined total of the Fire Department and Rescue Division is 74 employees. The number has not changed since 1996; the only difference has been the salary increases. No additional personnel is being requested. The only problem is going to be capital. They have not had any increases in 16 years; however, they have reorganized, multi-tasked and reduced in every way possible. Since 1996, they are running approximately 700 less EMS calls and almost 1,200 less fire calls. That equates to 52 firefighters responding to every call at \$6 per call. An inspector is sent out for every fire alarm to cite the business; we do not go back for second alarms.

They have been going without capital; their aerials are 25 and 35 years old. They have done without for a long while and will continue to do so; however, they cannot go below when they started in 1996. Capital is the biggest deterrent; the equipment is becoming obsolete. They have looked for grants everywhere possible. Capital does affect the delivery of service and more importantly, it affects the moral of the firefighters because things are always breaking. Rescue has to replace another Rescue unit and the Fire Department has to replace another engine, aerials and air packs.

The 2012 budget for the Fire Department is \$3,129,000 and Rescue is \$7,798,000. Chief Harris requested that the money needed be allocated so they can continue operating the way they currently do. There is no way to do this cheaper. Several ways to get this money is by raising taxes; Fire fees, which he is against; and a Bond.

The Fire Department relies very heavily on the Police Department for dispatching and thanks Public Works for everything they have done for the firefighters.

In closing, the Department Directors were asked to make hard decisions and they have. He requested the Council and the Mayor make hard decisions for them. Requesting \$20, \$30 or \$50 per year from residents may end up costing those residents thousands of dollars in lost lives in their homes and businesses. We have to invest in our City.

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POLICE DEPARTMENT:

Police Chief Harrison advised that they were another department that did not meet the 4% reduction. Prior to starting the budget, salary, wages and benefits were already over that line item, even before getting to the operating expenses. Some of the organizational challenges they face are as follows:

- Property crime, which has gone up.
- Capital funding.
- The infrastructure for the Communications Center, which could be a Bond issue. Hardware needs to be replaced, which will roughly cost \$6 million.
- Succession planning. They are constantly looking at all divisions in the Police Department and making sure because of the DROP and possibilities of retirement that we are getting people in place to continue into the future.

In 2005 there were 192 sworn officers and today there are 175 sworn officers. We are constantly doing everything possible as far as grants go. We are taking away and reallocating resources where they are most needed. When looking at the sworn officers, that does not include all of the civilian personnel that has been lost

or that has gone from full time to part-time. The number under the 2010 figure for certified non-road patrol is actually seven, as another Sergeant from the General Services Division was put back on the road. He assured that the seven officers are doing duties that only an officer can do such as training. Although the number of officers is going down, everything else is going up; calls for service; our total index crime; burglaries; larcenies and the overall crime rate; although it was less than 1%; it was at .9%. Violent crimes went down but the property crimes went up. We are doing more with less.

With regard to the breakdown of monies that are spent; 92% is salary, wages and benefits. If no capital were received that number would be pushed up to 94% of the budget, leaving only 6% of actual operating costs; fuel, uniforms, bullets, electricity, water, etc. Chief Harrison pointed out that the way the budget is structured at this point; their collective bargaining unit is going to receive a 3% step increase. They did have a salary freeze; General Employees did not get any raises, nor did Administrative staff; however, during that process the FOP made up for that the next year and raises were given. He requested that Council consider this in making these hard choices. Unfortunately, the General Employees and Administrative staff are not being compensated respectfully and that goes Citywide.

Chief Harrison referenced the five-year capital and noted that so far Mr. Keefe, Mr. Herriman and Mayor Bendekovic have allowed them to keep the 20 cars, but all of the other items have been eliminated. These are not wants; these are needs. The motorcycles are 2006's and some of the vehicles are ten years and over. It is becoming costly to keep the motorcycles on the road; every time they go in for maintenance or repair it costs between \$800 and \$1,000. Other expenses include replacements for tazers, lasers for radar guns and SWAT shields. The cameras are for their ID unit; they are digital and are for crime scenes. For the future years they are looking for some Bonds to help offset some of the capital expenses. There are two large expenditures listed; one is the range at \$567,000. Nothing has been done to the range since it was originally built. The ventilation system needs to be replaced and updated as well as the components that run the range. He did not have an accurate figure on the radio system for 2014 and the actual cost was underestimated; the cost will be roughly \$5 million to \$6 million. He is hoping to get Bond monies to help offset the cost. The vehicles will be listed every year. The differences in some of the figures are between marked police units, which cost more to equip, and the unmarked vehicles.

In 2009, over \$1 million was spent out of the Forfeiture Account for all of the needs of the Department. This year we still do not have the marked units on the road, as there are still some expenditures. They are looking at about \$614,479 that will be expended this year. That will only leave a balance of \$489,718 in the Federal Account. They have been trying to put more monies in the State Account rather than take monies out. They have done that by some of the vehicles that have been seized and put on auction; those monies go back into the Forfeiture Account. They started out at about \$32,000 or \$34,000 and have built the account up to \$84,000. He is hoping that some hard decisions are made and that he does not have to use that account for some of the other needs listed on the capital. As mentioned last year, there is nothing on the horizon. They get a little here and there on some of the seizures.

Some monies go back into the General Fund; permits, records, Code Enforcement, Traffic, alarms, school resource officer reimbursement and details. Details are \$33 per hour of which \$5 is added for Administrative costs, which is about \$100,000 per year.

Chief Harrison mentioned the Administrative staff and the amount of responsibilities the Lieutenants have and the amount of people they supervise. Two Lieutenants are on the Bravo shift, which is the day shift; there is only one on midnight, they do not have the coverage truly needed.

His proposed structure with Council's support is to add two more Lieutenants from the existing rank of Sergeant and not replace the Sergeants. It would truly make the Administrative structure more rounded; they would have a reasonable amount of people under their supervision; there would be better coverage over both shifts; and a Lieutenant could be used for the Special Units. Being promoted to a Lieutenant is a cost savings to the City. The difference between an Alpha Sergeant and an Alpha Lieutenant would be the 5% increase for the promotion. If you added in the overtime, the holiday pay and assignment pay, Sergeants actually make more money or they cost the City more money. This is another way of reducing the budget. He would take two Alpha Sergeants out of the Alpha shift. The Special Ops Lieutenant would not be getting any of those because he is on day shift. There is a shift differential pay but we still come out ahead.

In response to Councilman Levy, Chief Harrison explained that property crimes are residential burglaries and vehicle burglaries. Both of those have gone up significantly and because of those two areas, the overall part one crimes show that increase. He believes the economy plays a certain role in this and every resource possible is being used to address this situation. Stickers have been placed on all of the gas pumps that say, "Please lock your car or don't leave your valuables inside" and there are resources in the Park East neighborhood. Thieves check for unlocked vehicles because so many people leave valuables inside. Even locked vehicles are targeted, as it only takes a second to get inside. Parks and health clubs are prime opportunities. Ever since the cameras were installed at the Plantation Community Center there have only been two burglaries and there used to be at least one on a daily basis.

In response to Mayor Bendekovic, Chief Harrison advised that they had 178 officers last year. It was hoped that three of the officers would be funded by a grant; however, we did not get the grant and the three positions were lost. Currently we are down to 175 officers. We have applied for a Cop's Hiring Grant and we have applied for six officers. These grants are tied into a number of aspects to include crime rate and community policing initiatives.

In response to Councilman Levy, Chief Harrison stated that we have to maintain the number of officers for four years. The grant would pay for the officers for three years and we would pay the fourth year. He does not see this as a potential problem. He is hoping that the economy turns around and that we will be more prosperous.

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PUBLIC WORKS:

Frank DeCelles, Public Works Director, created a Power Point program to show our Elected Officials what his department actually does. Public Works is a service organization; they service not only the residents but the other 15 departments within the City. For probably the last ten years, when it came to budget time, he was told clearly that he was part of the team and the Public Works Department maintained the best they could. The Public Works Budget was at 4.5, which is unbelievably low for a City that has the square miles this City has, along with the number of residents and all of the amenities that takes people to maintain as a special place to live and to keep the quality of life that keeps the residents extremely happy about living in this community. These budgets are well below; even a conservative budget for a Public Works Department.

Mr. DeCelles provided a brief review and made the following comments:

- The Central Services Crafts Division has decreased its budget for the past couple of years. The good news is that whenever there is a construction job, there are materials left over and we are certainly trained to utilize every last nail and every inch of board used.

- The only slight increase in the budget is in the Central Services area because there is some planned work that needs to be taken care of in some of the buildings; therefore, that has been well planned in advance.
- The capital program has been zero across the board for three years and the Public Works Department was fortunate to get \$5,000 in capital money. Of the money received, \$4,200 went on the purchase of two large tractor tires. They still have three more months to go this year and this is probably one of the more difficult times of the year because we are entering into the tropical storm event season.
- With regard to vehicles, three of them are 22 to 27 years old; eight are 24 years or older; and 24 are 12 years or older. The vehicles are painted every four months so they look new. The older the vehicle the more you pay for repairs.
- Administration takes care of one end of the operation.
- Crafts and sidewalks do the remodeling. They are their own construction company; they have electricians and carpenters.
- There are 176 irrigation pump stations within the City and at one point our ability to irrigate was lost because most of the sources used for irrigation went dry.
- Right-of-way maintenance is the maintenance of the medians, rights-of-ways, berms, and grass.
- Mr. DeCelles is in charge of the field personnel and works closely with the Landscaping Department with tree trimming, tree planting and bushes.
- Streets and drainage; you cannot anticipate certain things but they do come around. Today there was a flooding problem and we had to hire a company who went down in the drainage structuring pipe to find that we had 20 feet of roots. There is a cost to dig it up, cut the pipe, remove 20 feet of roots, and replace the pipe.
- Fleet maintenance repairs all of the fleet in the City, which includes everybody except for the Fire Department because that requires a specialist.
- Street lighting is handled by FP&L and by the Public Works Department. We are responsible for lighting on Broward Boulevard, the decorative light poles and decorative lights on State Road 7. We are also responsible to maintain FDOT lighting on their streets even though they subsidize our budget with a check every year for maintenance costs.
- Small engine repair is the mechanics that handle the mowers and the handheld equipment.
- Public Works is also responsible for recycling; containers are at Public Works. They are the customer service department for recycling and solid waste. Resource recovery is very successful with the mulch program.
- Central Services are the people who maintain, such as the custodians.
- Public Works has their own sign shop; we take care of all of the street striping and markings.
- Canal maintenance is another responsibility.
- Some of their main responsibilities are the sidewalks, which does not include asphalt paths that are maintained throughout the City.
- Roadways, which include markings, striping and all signage.
- Drainage, which includes 2419 drainage structures, not including the miles of piping that we are responsible to keep clean and free of any blockage.
- There are 67 buildings in this community and Public Works is responsible for every one of them, which means both, interior and exterior maintenance, painting, roofs, carpeting, plumbing.
- Water is the water bodies we are responsible for; cleaning and maintaining the ditches and aquatic maintenance. The grass is 107 miles of medians, berm and rights-of-ways.
- There are over 12,000 trees in our community, which we are responsible for maintaining and trimming. Equipment is roughly the small engine equipment and mowers with a variety of small engine equipment, which is 900+ pieces.

- There are almost 550 vehicles to be maintained.

With regard to our labor force, we have added three people in the past three years. Mr. DeCelles referred to the Public Works section on the website.

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PARKS & RECREATION

Jim Romano, Parks and Recreation Director, commented that all the presentations talk about a cohesiveness as far as the Department Heads and the sharing of the limited dollars that we do have. We are always trying to do what is in the best interest of the City. Parks and Recreation is composed of five divisions, which is Parks and Recreation, Tennis, Aquatics, Equestrian and the Golf Course, which is an Enterprise Fund. Mr. Romano made the following comments:

- Between 2007 and 2012, four out of the five divisions have dropped in operating budget dollars with the exception of the Golf Course, which went up. That increase is basically tied to their salaries.
- He referenced the Parks and Recreation Capital Budget comparison from 2007 to 2012. They are requesting \$102,000 for capital. Three trucks need to be replaced; one is 18 years old, one is 19 years old and the other is 20 years old. The cost to keep the 18-year-old truck on the road was \$9,816; the cost to keep the 20-year old truck on the road was \$10,172; and the cost to keep the 19-year-old truck operational was over \$15,000. There does come a point and time that we have to say that the vehicles need to be replaced.
- The Tennis Courts did not have a change in capital.
- The Aquatics had \$20,800; typically that is a pool heater and a diving board. There is another capital item that will be for the Aquatic complex that will be put into a Bond. The large pool in Central Park was built in 1983. Although the pool has been renovated, the infrastructure is 28 years old; therefore, the filters are 28 years old, and the pipes outside of the back of the pool and everything has aged. It is getting to the point that we cannot open or close all the valves completely because the couplings and the seams are spraying because they are not holding the pressure.
- The Equestrian Center did not have a change in capital.
- The Golf Course is for some pumps and some needed equipment.
- With regard to the operating budget between 2011 and 2012, most everything is down with the exception of the Golf Course. The reason for that is because the five years we have been running the Golf Course we have been paying the interest on the Bond, which typically runs about \$330,000 to \$340,000 per year. This begins the fifth year of the Bond, we have to start paying the principal payment; therefore, we will be paying the interest and the \$240,000 principal payment, which will bring the number up approximately \$100,000. Even though there is a \$100,000 increase, it is really about a \$125,000 decrease, as the Golf Course has cut back their operating budget.
- With regard to the capital budget between 2011 and 2012, the \$102,000 for Parks and Recreation was for the purchase of two trucks. The Aquatics was for a diving board and a heater. The Golf Course is \$91,500.
- The Parks and Recreation Revenue comparisons were mentioned. They do sponsor and provide facilities for a lot of different tournaments and events, which generates a lot of revenue. Besides revenue that we generate, the impact on this community is incredible. It is really an important component.

- In looking at September 2009 and September 2010 you will see that the 70/48 is a drop-off from 2009, when the summer camp program was eliminated. There was about \$240,000 or \$260,000 less revenue at that time. Adding that in with the projected revenue shows that we are just short of \$1 million dollars this year.
- Tennis Court, Aquatics, Equestrian and Golf Course revenues are up.
- Some of the changes made in order to meet the budget reductions that have been imposed since 2006 include sponsorships. Some of the events are run every other year. The special event budget has been reduced. The Kid's News was eliminated along with the monthly newsletter. They instituted the Plantation Now e-mail and monthly reminders are being e-mailed of all of the special events.
- Other changes as far as their facility division include reducing facility hours; Volunteer Park is closed on Mondays; all locations close at 9:00 p.m. One thing being proposed is to close Central Park on Sundays if necessary. All of the other recreational facility buildings are closed on Sundays with the exception of Central Park. That would not include the park; the park would still be open to the public.
- Senior bus rentals were reduced and organizations now have to pay half of the bus fee. The summer camp program is cost neutral since it is basically an Enterprise Fund.
- Part-time employees' hours were reduced from 24 hours to 15 hours per week; most of the will call employees were eliminated; and the children's carnival was eliminated during the Fourth of July celebration.
- Other changes include the loss of one supervisor, multiple part-time people; no lights on Friday nights other than rentals; one position was froze and six full-time maintenance workers were eliminated and will remain vacant this upcoming year.
- With regard to Aquatics, a full-time lifeguard was eliminated along with a lot of part-time staff and reduced hours. The Aquatics camp was eliminated; the employee picnic was changed around.
- Some examples of change in order to meet the budget reduction since 2006 include closing the Equestrian Center on Tuesdays and Wednesdays; no lights on Friday nights and one full-time maintenance person was eliminated.

Mr. Romano advised that the capital budget is really bearing on our City. There was a tot lot in Meleluca Isles and it was \$6,000 to replace the platform and it gets to the point of whether it is worth investing the \$6,000 or removing the tot lot. As we are constricting here; we removed the tot lot. Several e-mails and telephone calls were received regarding the closure of the tot lot and you can see that the tot lot meant a lot to the people in the neighborhood.

The other issue is the Jacaranda Lakes irrigation system, which has been down for three years. It will cost \$15,000 to fix it. This is another project that will be put into the Bond with the hopes that the Bond gets approved.

Mr. Keefe probably has the number of how many millions this City has saved, or taxpayers have saved over the last three or four years since we have been in this mode. Every year those millions are compounded and now this year, knowing where we are and where the economy is, and knowing that we are looking at a limited millage rate and possibly a roll-back number, we have to question what we are doing to our community; how is this going to affect the residents on a day-to-day basis? It gets to the point that we have to say we need to do better for our community.

Councilman Levy questioned whether privatization of any of the services or facilities has been reviewed and what that can bring to the table.

Mr. Romano indicated that when talking privatization a couple of things happen. The main thing is that you lose control of your facility. The other thing is that the PR for the residents or consumers is lost. When putting a person in who wants to privatize, they are there to do one thing and that is to make money. They will run the facility and do whatever is needed to make money. He feels that customer service is one of the best things we have.

In response to Councilman Levy, Mr. Romano stated that our customer service; we bend over backwards to help the community. Satisfaction surveys are not done but other surveys are done with regard to economic impacts as far as when people come into the parks and facilities.

Councilman Levy commented that Parks and Recreation is service oriented but he believes it would be helpful to have some type of backup material to say that we service so many people, they have filled out evaluations and this is what the reports were; allowing people to make suggestions and ideas who actually use the service. He suggested this as a way of quantifying what is being done.

Mr. Romano noted that is a good point and they will start surveying people around the park. In conversations with other Cities and municipalities who have gone that route; that is one of the things they find that they lose; they lose control of the facility and they lose good PR that they had in the past. They went from 23 teams to three teams and the reason why is because there is no one to say, "Why don't you join the program"?

Councilman Tingom used the Summer Camp program as an example and stated that since we are back to running it the comments received are much better.

Mayor Bendekovic commented that the Plantation Preserve is an example of privatization and we certainly reap the rewards of the stellar management program; it can go either way. There was so much negative feedback with the summer program that we did return and it is cost neutral. Several compliments have been received and parents are very satisfied that we took over the program.

Councilman Levy indicated that he does not want us to stop constantly looking for cost savings that will still allow us to provide the quality and service we want. He encouraged looking for other ways of doing things rather than getting sedentary.

Councilperson Stoner advised that she is extremely happy that the Summer Camp program is back; however, that program is not supposed to be an Enterprise program, similar to the golf course. With regard to the Tennis programs in the City of Fort Lauderdale and the City of Sunrise, they are making money and we are not capturing any dollars from the program; we are leaving it on the table for someone else. We have to identify those potential Enterprise zones, which was done with the Plantation Preserve. She believes that Councilman Levy's point is that we all have to explore potential options that can be brought back and still maintain the satisfaction of the residents.

Mr. Keefe stated that as far as privatization, one thing we have recently done was to provide a report to the Elected Officials.

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HUMAN RESOURCES:

Margie Moale, Director of Human Resources, advised that this department represents all of the City employees and personnel costs. The salary for all funds is \$42,820,110. She noted that once again, all of the employees are stepping up to the plate, as they have been requested to do more with less. Fulltime and part-time positions have been eliminated and we are going into a wage freeze again next year.

Ms. Moale made the following comments:

- The General Fund is \$34.7 million and other funds are approximately \$8 million. There is a contract bargain for a 3% increase and one step with the FOP contract, which amounts to \$669,486 that they will receive and General Employees will not receive.
- If the General Employees were to receive the 3% merit increase of 1½ and 1½, the General Fund would increase \$785,000 and other funds would increase \$182,000 for a total of \$967,915. The monies could not be found in order to maintain.
- With regard to the personnel roster reduction, it was noted that our peak year of employment was 2008. Since 2008, 189 positions have been eliminated. The General Fund base pay was \$34,285,847 and in addition, the City has to pay FICA, which was \$2.6 million. The General Employee pension was \$2.8 million and the FOP pension was \$5.3, almost \$5.4 million. Benefits amounted to \$7.9 million and Workers' Compensation was a slightly over \$1 million for a total of \$54 million.
- In 2012 we have projected \$55,211,000 and each of the categories have slightly gone up.
- Personnel changes include elimination of positions. When reorganizing and structuring the Design, Landscape and Construction Management Department, two office support people were affected. One of the fulltime positions was eliminated and the other employee was transferred to the Fire Department because someone in the Fire Department got promoted to replace another employee in Administration. This change saved \$49,529; not including benefits. Other positions eliminated included the Budget Manager for a savings of \$79,000; Deputy Fire Chief for a savings of \$101,000; six maintenance workers in Parks and Recreation for a savings of \$149,000. This is a total of \$380,714.

In response to Councilman Levy, Ms. Moale indicated that the Budget Manager's position is still funded for this current fiscal year and next year it will be eliminated completely.

Mr. Herriman explained that the Budget Manager position has been utilized through the processes of the Financial Operations Manager to work on the revenue. There were a couple of different positions eliminated other than just the Assistant Budget Manager through terminations. Attempts were made to fill the position but unfortunately it is not being filled and will be one that will be eliminated.

Councilman Levy questioned how you know in real time how much money is spent and allocated. He questioned whether the actual amount in the budget that has been spent and the amount left on a day-to-day basis or are they on a monthly basis?

Mr. Herriman advised that this is done on a monthly basis; a monthly statement is issued. If we wanted to as of this moment, we could produce that information with our software.

Councilman Levy stated that sometimes that information is very helpful when having to make day-to-day decisions. He mentioned this because many people may not realize what a Budget Manager does and how important they are.

Mr. Herriman indicated that there is a necessity to work within our means and if we do not have the means to support a Budget Manager or some of the other positions, we have to do without. It is a burden on each of the departments when staff is lost.

Mayor Bendekovic advised that she has the monthly information. So far it has not been a problem.

In response to Mayor Bendekovic, Mr. Keefe advised that an Assistant Budget Manager took over a lot of the responsibilities along with Mr. Herriman and with some of his staff. They are discussing whether the Assistant Budget Manager will remain once the Budget Manager position is eliminated.

Ms. Moale continued by saying that Chief Harrison mentioned the three police officer positions that were not funded last year because we did not receive the grant money.

Ms. Moale made the following comments:

- Medical and benefits are a large component in addition to employee salaries. The minimal increase we requested this year for 2011/2012 was 4.7% and again, the nationwide trend is 12% to 15%. This is due to medical inflation. We have to find other ways to avoid the expenses, which is done through wellness initiatives and the Employee Health and Well Center. The Benefits Committee is vital in the communication process with employees so that they are using their benefits in the wisest economical way for them and for us.
- The one-year total capture on what the monthly premiums were for the Health & Wellness Care Center and the redirected care costs, which were costs that people did not go to their own personal doctor and it was not charged to United Health Care. We did not save any money, we just avoided the expenses.
- Pharmaceutical savings is what we would have spent; a total of \$43,699.15, if the prescriptions would have been filled at Walgreens, Publix, CVS, etc.
- The actual cost that we avoided means this is where employees did not go to a specialist.
- Preventative impact is other types of items that are listed when we avoided emergency room visits, therapy, chiropractic, etc.
- The dollars not spent due to the Health & Wellness Care Center was \$553,000; almost \$554,000. That shows that the Health Care Center is doing what we promised it would do.
- We paid for the pharmaceutical; we paid the wholesale cost plus \$300 per month to run the software. Total costs were \$24,308 and \$7,000 was for flu shots. To stock the dispensing, we only spent about \$17,000 for the entire year. Even with the one-time implementation fee, we still were in the black \$50,474.
- The response ratings on surveys for the Health & Wellness Care Center are almost always fives; we have a 99% satisfaction rating with the employees.
- With regard to employee health insurance contributions, we have looked at having the employees contribute 2% of the cost of their health insurance, which would be \$101,988; 4% would equal \$201,458; 6% would equal \$305,965 and 8% would be \$407,954. Mayor Bendekovic has requested this be put together so it could be on the table for consideration.
- A new incentive was added to the Wellness Program as of April 1, 2011; if employees have their annual physical at the Health & Wellness Care Center they will receive \$25. During the first month of the incentive 22 employees had their physicals. During the annual employee survey it was determined that less than 50% of the employees were taking advantage of the free annual physicals.

- To increase utilization of the clinic they have looked at weekend hours; however, as of August 1, 2011 we implemented back to school hours. That is where the hours will change from 7:30 a.m. to 4:30 a.m., Monday through Friday to Monday, Tuesday, Wednesday and Fridays from 7:30 a.m. to 4:30 p.m. and Thursdays from 11:00 a.m. until 8:00 p.m. This is an attempt to increase spouse utilization and the back to school physicals. As long as there is utilization these hours will remain. Other options will include employee education, reviewing optional additional medical plans and the wellness incentives.

Mayor Bendekovic commented that Marathon did not increase their costs to us this year because of the fact that we have been the prototype and we have had people as far away as Texas coming to our Wellness Center to look at what we are doing and how successful we have been.

In response to Councilman Levy, Ms. Moale advised that there is no ramification from Comp Benefits moving over to Humana; they had some difficulty with the software; however, that has been resolved. Our benefits are the same; they have not changed.

Councilperson Stoner stated that it appears that there is money spent on wellness incentives and easily the funds spent on those incentives have surpassed the \$50,000 in savings. The purpose of the Health and Wellness Center is good but the trade off needs to be stopped at a certain point because then it is not a financial benefit. It appears that any savings is being spent.

Ms. Moale advised that she could pull a report; she did not believe the incentive costs were greater than the savings.

Mr. Keefe indicated that the chart is from April to March 2011; that was not really a full year because we started in April with just employees; spouses and dependents were added incrementally. We will not have had a full year until August 2011. He believes we will see additional savings in the future. Secondly, this next year we will not have the start up costs, which were almost \$80,000; therefore, we will be ahead at least \$130,000 or more and he knows the incentives are not that great. He thinks we have used incentives from one year to the next; we have not actually used them in one budget year.

Councilman Tingom questioned the absentee rate since the Health and Wellness Center began.

Ms. Moale stated that in the first six months of operation compared to the six months prior to the Care Center being open there was a 10% increase in productivity because sick leave usage was down 10% Citywide. She will do a one-year study on that as well.

Mayor Bendekovic commented that retiree and COBRA payments have been reviewed that have been delinquent and found that there has been at least \$38,000 delinquent COBRA payments and we are going to seek collection on those. We are sending out letters for collection.

Ms. Moale continued as follows:

- With regard to increases in pension costs, the Police Department had a total increase of \$78,312 in the pension due to changes made in the actuarial assumptions. General Employees went down \$38,414 for total increase in pension costs this next year of \$39,898. The Police Department costs for the FOP pension or the sworn officer's pension is \$5.468 million 803, which amounts to \$39,918.27 per person that the City has to contribute for the 137 active members; that does not include members in DROP. For General Employees, there are 550 active contributing members and the total contribution is \$4,150,585

which amounts to \$7,546.52 per person for all of the General Employees in the pension plan. The total pension costs of \$10,272,700. With the changes made by adding in Tier II for the pensions, the first year, which went into effect October 1, 2010, showed a reduction of \$58,593; this is by the actuarial impact statement. Every single year the amount goes up; by the year 2018/2019 we will have \$435,334 less reduction for the General Employee. For the Police Tier II, based on the nature of the benefits in that program, we will not start to see a savings in Tier II until the year 2015/2016, which is very modest. In 2018/2019 we will be up to \$127,000 in savings in that program.

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ADMINISTRATION

Mayor Bendekovic advised that the City of Plantation tax rate in 2006 was 4.588 and today it is 4.5142. We were required to do a rollback in 2008 and she believes it was 3.5 plus an additional 7%. An example was distributed to the Council members showing the tax rate with a 1/10th increase; a .15 increase; and a 2/10th increase on different Homesteads. Mayor Bendekovic reviewed the examples and noted that the highest a property owner would pay on a 1/10th increase of a mill would be \$35. In taking the average, which would be between \$180,000 and \$240,000; the increase would be \$10, \$12.50 and \$15. If you went up to a .15 increase the amount would be \$15 and \$18.75. The example shows what the millage rate equates to in dollars and cents.

With regard to changeable and taxable property values, we were decreasing but as of this year in 2012, our new construction due to several projects coming online and being permitted; that is why we were fortunate to receive the \$4.1 million grant from the County because we had over \$90 million of construction and we have close to \$165 million coming online within the next couple of years in permitting. We are up by \$15,208,196.

The ad valorem we will receive this year will be the same we received last year, approximately \$28.8 million. In the last five years there has been a reduction of \$5.8 million.

The City of Plantation has always been very frugal and when we had the rollback several years ago we were punished for being one of the most frugal municipalities in Broward County. The State decided to say "One shoe fits all" and they should have looked at individual municipalities one by one and showed that if there was a millage rate in the fours or fives that the rollback should not have applied.

Currently, we have an increase of .2. She was very happy about this because it indicates that there is stabilization within our taxable property values.

Mr. Keefe indicated that the .2 increase is very negligible. The reason being is when we get the property value at this time of the year it goes down lower over time because of value adjustment. When comparing the value adjustment the actual final number to what the property values are now are different. The final numbers will be available on Friday from the Property Appraiser. Mr. Herriman has had some discussions with the Property Appraiser regarding the property evaluations, particularly in Midtown and on State Road 7 in the Gateway.

Mr. Keefe made the following comments:

- Revenue sharing numbers are not final yet.
- The communication service tax has not been published; therefore, we do not know what the number is. We are forecasting the number and are hopeful it will be a little higher than what we are forecasting.

- We are predicting a slight decline in the franchise and utility fees. A lot of the departments have different user fees and we are predicting a slight increase.
- Licensing and permits are up significantly.
- Council has approved three projects and we expect at least two of those to come on as far as Building permits this year with Veranda and Midtown; Stiles may lag behind a little. Other items include funds and forfeitures, investment income, tower rents, impact fees from car sales, surplus materials, etc.; that number is projected to decline somewhat.
- Last year we used the appropriated fund balance below over \$3 million to balance the budget; we are not showing that at this point this year. That is the main reason you will see the General Fund number of -\$3.5 million. Mayor Bendekovic, Mr. Herriman and Mr. Keefe have looked at the revenues as they have changed; they have improved somewhat and hopefully they will improve as we go forward. We are always looking at our expenditures; this number has also changed. A couple of personnel changes may be made that will reduce this and the Department Directors know that we are going to do round two of looking at their budget and their capital. Unfortunately, if the revenues and expenditures stay the way they are we will have to have some additional reductions to balance the budget.
- Our main categories are salaries and wages, which Ms. Moale has discussed.
- Services, materials and supplies, capital, grant in aids and transfer is out; therefore, the General Fund shows that we are not in balance; there is a gap of requests and we have a bottom line of revenues and we have to bring them back so they balance out, which will be the task over the next couple of months.
- There is some change in specific revenues; the revenue share from the State has some sales tax and that is an actual projected number received from the State. We feel it is positive; however, it shows a slight increase.
- The service charge for recycling will slightly increase.
- Parks and Recreation program fees are up significantly due to bringing back the summer recreation programs.
- The revenue share for sales tax is slightly up.
- Investment income is down, probably because we were overly optimistic when we thought our investment income would come in better.
- The communications service tax is one that we are hopeful will change; the number has not yet been published.
- As far as cost containment or revenue sources, a community mileage fee is being considered for employees who have take home vehicles. At that time it was proposed and Council did not want to go forward with it; therefore, we are bringing it back in order to determine if it should be explored further. If there is an interest, we would have to structure a memorandum of understanding with some parameters as far as the FOP. This would also apply to any general employees that have take home vehicles. If something like this were done the revenue would be about \$90,000.
- The wheelabrator waste energy plants have been paid off as well as the bonds. There was a reserve that the County and the Resource Recovery Board had of \$20 million and they proposed to do a rebate based on population and the amount of solid waste from 2009. The City's portion of that would be a little over \$1 million; a one time payment. The Resource Recovery Board has recommended a fee of \$55.72 per ton; currently it is \$99.40 per ton, resulting in a reduction in the tipping fee. Some figures have been calculated; the number will probably be in the neighborhood of \$1.3 million to \$1.5 million of revenue that could be coming to the City. There is a potential that the tipping fees could be reduced even further. The County has proposed \$55 but it has not been accepted yet. The tipping fee will be reduced by \$72 as of October 1, 2011.
- The City of Miramar has established an RFP looking for another source somewhere in the County to take garbage to. That RFP is being evaluated and there will be some information coming in the future.

Councilman Levy questioned whether there is any possibility of us looking at the availability fee that was instituted over the last couple of years to have garbage service available. If the tipping fee goes down to a certain amount the availability fee can be reduced to the citizens.

Mr. Keefe commented that would be a consideration the Council would have to review. If you are going to look at that he suggested reducing the costs for the blue bags prior to reducing the availability fee.

Mr. Keefe continued with the following comments:

- With regard to Hurricane Wilma funds, there is one outstanding project; the Public Works garage and motor shop. We have had a little dispute with the State and FEMA and it actually appears that there is program through the State that shows the seven-step process for approval. We are confident that we will see the end of Wilma funds and will get approximately \$380,000.
- Every other year the City can increase Business Tax licenses by 5%. The City Clerk has estimated that will bring in \$38,000 in revenue. This is something for Council to consider.
- Collection of EMS transport for nonpayment. Chief Harrison and Mr. Keefe have met with Inter Medics who does the billing for EMS transport. They have an arm in their company that does collections. The City has never done collections in the past and this may be something to look at. There is approximately \$1.5 million that goes uncollected on EMS transport fees; of that they feel that \$1 million is a potential to be collected. On average they say about 10% of the outstanding fees could be collected, which would be \$100,000. In checking with other collection agencies, it is believed that their fee is reasonable. Since they do the billing it would behoove us to look to this company for collections; it would be 20% so the budget figure would be \$80,000. This is a policy decision; the City has never tried collections for EMS nonpayment. It was surprising to find that the majority of EMS payments are Medicare and those payments are set at \$200+. The representative from Inter Medics advised that not only are people without insurance not paying but people that do have insurance are not paying the deductible. He would put a budget figure of about \$80,000 if this is something the Council wants to do.
- The employee medical insurance contribution would be for anyone who has family, spouse or children; the City would continue to pay 100% for single employees and the employee contribution would be the difference.
- The take home vehicle commuter fee would be about \$90,000.

Mayor Bendekovic made the following comments:

- Expense reduction includes the elimination of the Plantation Quarterly, which was \$82,000. This can be put online and there are other ways to disseminate the information; there is a Sports Activity and another magazine out there. It has been found that just for the recreational activity schedules that at \$700 3,000 prints can be printed and they will be available at the different recreational locations for a savings of \$82,000.
- The cost of turkey money was \$55,000.
- There will only be one employee picnic and employees will pay \$1.50 for hotdogs.
- Plantation Chamber of Commerce contributions were reduced by \$7,000.
- If the Council wishes, the Federal lobbyist will be eliminated for a cost of \$60,000.
- Worker's Compensation payments will be reduced to 67% of the salary rather than 100%; a figure was not available at this time.

- We are not renewing our membership with ICLEI, which is a local government sustainable membership, which costs \$1,200.

Councilwoman Uria thanked Mayor Bendekovic for not renewing with ICLEI.

Councilperson Stoner commented that the City pays quite a bit of money to the Plantation Chamber of Commerce. She questioned why the reduction was only \$7,000. She suggested that the reduction might need to go further inasmuch as why would we want to take money out of the City's funds for their Social Coordinator.

Mayor Bendekovic advised that she set a 4% reduction and it is actually less than that. The exact amount of contributions to the Plantation Chamber of Commerce is available and can be reviewed as early as tomorrow. The Plantation Chamber of Commerce is a partner within the business community; they help small businesses and corporate businesses. They are the number one point person to go for business friendly. She stated that it is not really a Social Coordinator, it is really a coordinator that does the holiday parades, the Economic Summit, that takes the burden off the City for the man hours and purposes of why we try to promote the City for businesses and small businesses and corporate. They are taking that expense away from us; that would be a form of privatization.

In Councilperson Stoner's opinion, the best analogy to provide is the former Broward Alliance, which is now the Greater Fort Lauderdale Chamber of Commerce. They receive public funds and they also have a formal agreement with the County. They have certain criteria and milestones and reporting that they have to provide to the County every year as to their performance. She does not know whether that is happening; no one from the Plantation Chamber of Commerce attends the meetings except on a rare occasion. She is not seeing any reports and we do not know what their membership is from year to year and we do not know what their percentage of administration costs are versus what they are putting back into the community. She also noticed that we give money to the Plantation Chamber of Commerce and events that list the City of Plantation/Mayor A or Mayor B. As an Elected Official, she does not think it is appropriate that we spend public funds with an Elected Official's name on any of these advertisements. Every other Elected Official pays for their own card ads, etc. and to use public funds to have the Mayor's name along with the City of Plantation does not feel is appropriate.

Mayor Bendekovic assured Councilperson Stoner that she pays for her own lunches and breakfasts, not the City. Her name is on advertisements for sponsorships. She was elected as a Strong Mayor and she represents the City of Plantation and Council is always duly noted on all of the sponsorships.

Councilperson Stoner commented that the Council members also represent the City. She disagreed that they are always noted on all of the sponsorships. She reiterated that it is inappropriate. As an Elected Official, they pay for their own advertising. The Mayor is still an Elected Official and you cannot pick and choose which Elected Official is promoted with public funds.

Mayor Bendekovic advised that the statement was noted and the City of Plantation will be used.

Councilwoman Uria mentioned the nonprofits that we give money to and stated that any nonprofit that has a budget over \$50,000; we should ask for a copy of their audit so we can see where their money is coming in and going out.

Mayor Bendekovic indicated that they recently had that conversation with Mr. Leeds. It was determined that Lisa Zelch and Patrick Haggerty are going to work on that.

Councilperson Stoner commented that the Plantation Chamber of Commerce is also a nonprofit.

Mayor Bendekovic advised that they have an audit and all of their bookkeeping. She attends the Board of Directors meeting and all you have to do is request it and it will be provided.

Councilman Levy referenced the Federal lobbyist and questioned whether we have an actual accounting of what they have brought to us; arbitrarily saying \$60,000 does not really tell us what their worth is. We pay them \$60,000 but if they brought in a quarter of a million dollars or so per year that is a good trade off.

Mr. Keefe stated that we do have that information. One of the reasons we are looking at this is because it is more and more difficult to get line items from the Federal Government. The Federal lobbyists have been very good; we have had them for six or seven years and when there were opportunities we have been able to get some large projects. Unfortunately, we had to turn one of them back in. There have been some road projects and we continue to get those; however, it is very difficult to get those line items. It is felt that we can do a lot of our own lobbying; we do set up meetings with our Federal Senators and Representatives as we do with our Local, and are able to lobby them. Several Council members also have some contacts with them also. In the last few years we have not gotten anything. A list can be provided of what we did get. They do provide other things such as grant opportunities, but unfortunately a lot of them are more directed towards County and Social Service type program, but they are not applicable to us. It is nice to have but if we are looking at a tight budget it was felt that this might be one area to look at.

In response to Councilperson Stoner, Mr. Keefe advised that we are recommending to keep the State lobbyist rather than the Federal because we feel that there is more of a close connection with things that happen within the State level that can be more beneficial to the City than the Federal lobbyist.

Mayor Bendekovic continued as follows:

- The current anticipated ad valorem revenue is \$28,878.61. This will not cover the Police Department's requested budget. This figure was broken down to show that the Police Department is the largest, but when put into dollars and cents the millage is not funding the Police Department; we have to depend on other funds to support them as well as other departments within our City.
- With regard to revenue versus expenditure, this is ongoing; the numbers are changing. We have requested each Council member to meet with Mr. Herriman and Mr. Keefe because even today some of the numbers were changed that were presented this evening. If you will schedule a time to meet before the setting of the millage rate they will be more than happy to advise you of the changes.
- Recommend areas to increase revenue or reduce expenditures; we will do that at our Workshop. We can present what was done this evening. A breakdown of the medical insurance will be provided and any feedback would be appreciated.
- She requested insight into discussing preferences to balance this budget. Would Council consider an increase in millage? Implement cost allocations for special funds or use fund balance reserves? There is a certain percentage that needs to be kept in the reserve; we have to keep around 7.5%. Last year Administration balanced the budget with our medical reserves; the total was about \$3 million. That reserve cannot be used again; it has to stay where it is at this time. She is requesting that Council indicate their preference with Mr. Herriman or Mr. Keefe and see what we can work out. The millage rate will be set on July 13, 2011.

Mayor Bendekovic commented that being the Mayor has reconfirmed what a loyal, dedicated group of employees we have. There may be another one or two years; however, we are the one City that is now having development and that equates to revenue. This is not a wish list; it is a need list.

In response to Mayor Bendekovic, Mr. Herriman indicated that the goal is to provide the budget sometime during the first week of August.

Councilwoman Uria questioned what number we are looking at to budget.

Mayor Bendekovic advised that we have not got that number yet. We are waiting for the Property Appraiser because there are some revenues that are still out there that has not been projected this evening from the tipping fee to the taxable values. Mr. Herriman requested that the Property Appraiser's office look at the Gateway and the Midtown, which they are doing. The millage can stay the same or it can go up 1/10th, a .15, 2/10ths or .3.

In response to Councilwoman Uria, Mayor Bendekovic could not say how much of the reserve would be needed if the millage did not go up at all until the final figures are received regarding the revenue that is coming in because that will offset it. We will have the numbers prior to the July 13, 2011 meeting and they will be provided in the packets.

Councilman Levy advised that Mayor Bendekovic will recommend a millage rate and various alternatives. At that time Council will make a decision. Remember, the July 13, 2011 rate that we choose is the maximum we can possibly charge; we can come down from that but we cannot go higher.

In response to Councilwoman Uria, Councilman Levy believes each Council member has to determine a figure on their on based on the information they are given.

Councilman Tingom commented that it appears that we are about \$2 million short. If we raise the 30.02 that would balance it but the question is whether we want to use reserves again if needed or do we want to consider a .01 or .02 increase.

Mayor Bendekovic advised that .01 would generate \$630,000; .15 would generate \$945,000 and .2 would generate 1.260. Once the final figures are given the exact information can be provided.

Councilman Jacobs indicated that we need to know what is going to balance the budget and we do not know that yet.

Councilman Levy stated that we also have to take into account the drainage fee institution; residents are going to think that is another name for a tax. We have to recognize that there are other avenues that residents are going to see. If the tipping fee can be given back to residents and reduce the garbage fees we can show that we are working towards helping rather than continuously drawing from them.

Mayor Bendekovic mentioned the stormwater management fee and noted that is an unknown. A .1 would mean \$10 for a house that was taxable at \$150,000; \$15 for a house that was taxable at \$240,000. Both of these fees would offset the budget somewhat even if we had to withdraw a limited amount of money from the reserve. She reminded everyone that even in good times the Council chose to roll back the fee and it took three years for that Administration to catch up. When the State rolled back we still have not been able to catch up. We have had the same ad valorem tax for two years in a row, which cost us a \$3 million deficit.

Councilman Tingom questioned whether there are other methods of raising revenue for capital and infrastructure. A letter was received from Sunrise Mayor Ryan regarding a communication center and it is his understanding that the County is picking up the tab for them to build their own communication center. He questioned whether we would receive a rebate for that.

Councilman Jacobs advised that Administration is actively working on that.

Mayor Bendekovic stated that a resolution was done last week requesting the County to pay us \$1.2 million for our dispatch service, as there was 58,650 911 calls at \$24.81 a piece for a total of \$1.2 million.

Councilperson Stoner questioned whether they were looking to propose another bond for some of the capital expenditures so that in addition to the stormwater and a potential millage increase.

Mr. Keefe indicated that preliminary information will be gathered so that sometime after the budget information will be provided. Pickup trucks and police vehicles are not appropriate; we would be looking at large equipments such as fire trucks, backhoes or tractors, etc.

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Meeting adjourned at 9:02 p.m.

Sharon Uria, President
City Council

ATTEST:

Susan Slattery
City Clerk

RECORD ENTRY:

I HEREBY CERTIFY that the Original of the foregoing signed Minutes was received by the Office of the City Clerk and entered into the Public Record this _____ day of _____, 2012.

Susan Slattery, City Clerk