

**MEETING OF THE CITY COUNCIL  
BUDGET WORKSHOP  
PLANTATION, FLORIDA**

**August 23, 2012**

The meeting was called to order by Councilman Peter S. Tingom, President of the City Council.

1. Roll Call by City Clerk:

Councilmember:	Ron Jacobs Robert A. Levy Lynn Stoner Sharon E. Moody Peter S. Tingom
Mayor:	Diane Veltri Bendekovic
City Attorney:	Donald J. Lunny, Jr.

\* \* \* \* \*

2. The invocation was offered by Councilwoman Moody.

The Pledge of Allegiance followed.

\* \* \* \* \*

1. DISCUSSION CONCERNING THE GENERAL FUND BUDGET AND ALL OTHER FUNDS FOR THE CITY OF PLANTATION FOR FISCAL YEAR 2012/2013.

Note: The first couple minutes of the meeting did not record.

Councilman Jacobs commented that the City Clerk lost one part time position and added one full time position.

Ms. Slattery advised that the Business License Inspector is retiring on December 31, 2012; therefore, a full time position employee was added so there would be someone in place at the time of that retirement.

In response to Councilman Jacobs, Ms. Slattery indicated that a full time position was not created.

Councilman Jacobs stated that Financial Services added one part time person and Human Resources added three part time people.

Mr. Shimun advised that an employee was moved from Purchasing to Finance; she is split half time in one place and then the other rather than full time in one position.

Councilman Jacobs wanted to track the reductions. He noted that Design, Landscape and Construction Management added five full time positions.

Mr. Shimun stated that those positions were not added; they were shifted around.

Mayor Bendekovic explained that people were shifted from department to department as needed. With the City Clerk, there had to be people in place due to the retirements. The major role was Ms. Caravella and Nancy coming in under Mr. Shimun.

Councilman Jacobs commented that we went from 765 to 752 full time employees in total on personnel from 2007 to 2008. He questioned how many people in that reduction was clean up of positions that were removed from the budget.

Mayor Bendekovic advised that there were 13 vacancies that had not been filled; there were 12 vacancies in the Police Department and one in GIS.

Councilperson Stoner noted that no one else has had any cuts in their departments except for the Police.

Mayor Bendekovic stated that the Police were the only ones who had vacancies that were budgeted.

Mr. Shimun indicated that over the previous couple of years cuts came out of the General Employees.

Councilman Jacobs commented that Parks and Recreation went from 82 to 81 employees.

In response to Councilwoman Moody, Mr. Shimun reiterated that there have not been any new positions.

In response to Councilwoman Moody, Mr. Ezzeddine advised that he has six full time positions and one part time in his office. The increase in his budget is due to payroll and insurance.

Councilwoman Moody noted that Page 100 shows seven full time employees for Design, Landscape and Construction Management. There are six full time employees and one part time.

In response to Councilperson Stoner, Mr. Ezzeddine indicated that there are five vehicles for office personnel. Each employee is assigned a car for inspections in the field. All of the employees are not out at one time.

Councilperson Stoner commented that the report shows a total of \$5,300 with fuel, tires, and vehicle maintenance. That does not include wear and tear.

In response to Councilwoman Moody, Mr. Ezzeddine advised there is only one take home vehicle in his department. The employees pick up their vehicles in the morning.

Note: Mr. Lunny entered the meeting.

Mr. Butler spoke about two budgets; the Engineering Department and storm water drainage. The Engineering Department is comprised of seven employees and has been that way for a number of years. There are no additions or deletions of staff. Staff is dedicated and very customer oriented. We deliver a high level of service with very little resource. The budget is no different than any past year's budget; it is predominantly payroll based and very low capital. The notable difference this year, and necessarily so, is that they have some capital

for a single vehicle. It has been ten years since the department has seen a new vehicle. There is a small inventory of department vehicles and they have been in various states of disrepair and Public Works has been keeping them on the road. They have reached the point to where there are some safety concerns; therefore, Administration has agreed to put some funding in this year for a single vehicle. With regard to storm water drainage, Mr. Butler stated that this particular budget is the General Fund Budget for this year with the adoption of the storm water utility. With that transition, there will be a dedicated source of funding for storm water activities when we move into that collection phase. This year it remains in the General Fund and stays a very modest budget but the need is great. There is very little in the way of funding for any capital work. They are looking forward to the revenue collection coming next year.

Councilperson Stoner mentioned a line item for materials, labor, and drainage system for \$20,000. The previous years it was \$1,348.

Mr. Butler indicated that the difference is expenditure. The budget is based upon what they anticipate the need to be. He deferred to Mr. DeCelles, as he actually enjoys a portion of this budget and can confirm the actual expenditure.

In response to Councilman Levy, Mr. Butler stated that food and shelter is for participation in the Florida Storm Water Association; he is a board member and goes to conferences and participates in those twice a year. It is an organization that has served this community very well. We have received great dividend out of their investment made in Tallahassee. It is a worthwhile investment.

Councilwoman Moody thought we already paid the consultants related to storm water management. She questioned whether we would have consultants ongoing through this process.

Mr. Butler advised that the money is here in anticipation that we may need a consultant between now and the time that we enact the collection. We are trying to plan ahead in the event that we determine a need. If we do not need it we will not spend it.

In response to Councilwoman Moody, Mr. Butler indicated that the Engineering Department has three vehicles and one take home vehicle.

Ms. Moale explained that the Human Resources Department is a full service department servicing all employees and the public that wishes to come in and apply for jobs for the entire City. She offered a straight forward, simple budget.

Councilman Levy questioned whether any new personnel are being requested.

Ms. Moale advised that the increase is for will calls. Will Call is a temporary pool of workers that we recruit; they are clerical in nature, and they do not cost anything to sit on the books. Complete background checks and drug testing are done. They are called Will Call because we will call them when we need them. They work out great and we send them to the various departments. Whichever department uses the Will Calls is charged for the hours worked; Human Resources is not charged. Six years ago we were using temporary agencies and paying outrageous hourly rates; therefore, this pool was created.

Councilwoman Moody noted that the Will Call positions are budgeted in Human Resources. She questioned whether other departments budget for Will Call.

Ms. Moale advised that she does it in Human Resources for the clerical. Utilities has Will Call water plant operators that helps them reduce overtime; the Fire Department has Will Call paramedics, which helps them reduce overtime significantly; the Police Department has Will Call dispatchers so they can reduce overtime. The Will Call program is a wonderful program; it really keeps overtime down significantly.

In response to Councilwoman Moody, Ms. Moale indicated that Will Call employees can work no more than 24 hours per week unless there is an emergency for a department and then she will allow them to temporarily increase the hours to 40 hours; as long as the department has the funding they can do it on a short term basis.

Councilperson Stoner commented that with the exception of one department, the health benefits for each department are way above what she thought they were told upon renewal; there is a huge increase on the health coverage.

Ms. Moale advised that there was a 7.6% increase due to the stop loss. The figure on benefits is not just health benefits. She stated that the life insurance and long term disability are separated; all other benefits are lumped into that with the exception of pension, which is another line item.

In response to Councilperson Stoner, Ms. Moale stated that vacation, etc. are accounted for in the regular hours that are budgeted. There is 2,080 hours for a full time employee and whether you work full time or are on annual or sick leave or a holiday; that is paid for out of the 2080 hours.

Councilperson Stoner questioned if it is budgeted is it reconciled at the end of the year.

Ms. Moale indicated that annual leave and sick leave will rollover; annually it has a cap of 240 hours. If your salary is covering 2,080 hours it will be used up in 26 payrolls whether you are on annual leave or not.

Councilperson Stoner questioned why money is being put back into the General Fund. If we owe it to someone and eventually are going to have to pay it why would we keep it there instead of keeping it in a separate account?

Mr. Shimun advised that we do not have a separate fund to keep it in because you do not know when that person is leaving; therefore, you anticipate, based on seniority, when people are going to retire and budget out of the General Fund in that upcoming year when you know someone is leaving.

In response to Councilperson Stoner, Mr. Shimun stated that at the end of the year whatever is left over goes back into the General Fund and that would be whatever reserve we have.

Councilperson Stoner noted this is not a line item that is accumulating from year to year; it is being spent out of the General Fund. There is no accountability as to what is being done with the dollars at the end of the year.

Ms. Moale questioned whether Councilperson Stoner was referring to the annual leave accrual leave hours because there is not a dollar amount left at the end of 2,080 hours; whatever is budgeted for your salary is used up in 2,080 hours.

Councilman Levy referenced the new rules on GASB; we now have to have that as a separate item for our payroll and everything. Any of the accrued leave has to be listed.

Mr. Herriman believed that Ms. Moale was saying that each of the departments budget is according to their needs. If there are specific requirements such as someone retiring, it is budgeted. What often happens is we do not know who is going to retire and then we have to pay off their sick leave and vacation leave and it creates a burden on the budget. All of the monies budgeted, particularly in salaries and fringe benefits, unless the fringe benefits increase higher than what they are budgeted, will have a negative impact. If there is a favorable impact, it will roll over into the fund balance for the next year.

Councilman Levy thought that Councilperson Stoner was saying that it is a liability that needs to be accounted for because eventually it will have to be paid. Accounting wise and auditing wise, State requirements are that you have that set aside because everyone understands that is a future liability that has to be paid.

Mr. Herriman stated that is correct and noted that it is shown on the balance sheet or the excess that is not used.

In response to Councilperson Stoner, Mr. Herriman did not know the number for last year off hand and stated that he would have to look at the financial records to see how much accumulated vacation accrued and how much accumulated sick leave accrued, which is paid at 50%. That kind of information is calculated annually and changes a little from year to year based on certain factors. He noted that he can get the figure and bring it back.

Councilperson Stoner questioned whether there should be a line item because that is a possible expenditure; it is a debt.

Mr. Herriman indicated that it is a debt and a liability. It is represented on the balance sheet.

Ms. Slattery advised that the City Clerk's office is a service oriented department. We service employees, Administration, City Council and the residents. There are currently nine employees in this department. We do minutes and passports and we have a Business License Tax Department and the City Clerk. There is also a budget for an election; an election is coming up in March 2013. Those fees are based on the costs provided by the Supervisor of Elections.

In response to Councilman Jacobs, Ms. Slattery indicated that the budget is more this year than last year. The election budget is a separate budget. The regular budget for the office is more because of the impending retirement and putting a full time person in to train for that position. With the impending retirement, the person has been here 25 years; there are added costs associated with retirement.

In response to Councilwoman Moody, Ms. Slattery stated that the costs of the impending retirement are part of the budget as well as the increase in insurance, etc. There are no vehicles or take home vehicles in this department.

In response to Councilperson Stoner, Ms. Slattery advised that she gets an allowance for a vehicle because she uses her own vehicle for City purposes.

Councilwoman Moody questioned whether there is a standard for people who use their own vehicles. She also questioned whether it is per mile or a monthly type.

Mr. Shimun indicated that there are two ways. If there is a stipend, then you are paid on a monthly basis. If you are using your own vehicle and do not have a stipend, then you are paid mileage.

Monica Knapp, Director of the Library, advised that the Library services the public and our employees. They are open 56 hours per week.

Councilman Tingom noted that the Library benefits from book sales and the Friends of the Library. He questioned what portion of the budget that includes.

Ms. Knapp stated that several years ago the capital budget for books was about \$60,000 per year, which was City budgeted money and this year they are requesting \$15,000. They will probably spend close to \$50,000 on books and materials and the Friends of the Library are making up the difference.

In response to Councilperson Stoner, Ms. Knapp indicated that the kinds of books purchased are continual because of the reading habits of the public and it is based on that. It is very difficult to anticipate; you go along with the market. Popular Fiction, Large Print and Mystery would be their biggest but least expensive reference books and that would probably be the thing that they buy the most of.

Ms. Knapp was also present on behalf of the Historical Museum; however, there were no questions.

Mr. Sabouri, Director of the Building Department, advised that his budget lists 22 full time employees and one part time. There are 13 vehicles in the department that are on the road everyday making inspections throughout the City. There are two take home vehicles; one belongs to him and one is a back up in case of emergencies.

In response to Councilman Tingom, Mr. Sabouri indicated that the Building Department is funded by fees. They are in the price fund and they collect the funds that are spent for the Building Department. He confirmed that that there is a cost allocation for the Building Department for services and the City provides for other parts.

In response to Councilman Jacobs, Mr. Sabouri stated that a part time person was hired due to extra work. They have gone from 28 to 22 employees and they have to respond to the market because they have to generate their own revenues. Unlike other departments, he has to be very reactive to the market place; therefore, the department was shrunk and they go very slowly as needed. Because of the fact that contractors pay permit fees they expect service and if someone is out sick or on vacation they have to have back up. Broward County is used, which is a secure back up. They keep raising their fees; we are at \$65 per hour. This is budgeted under a line item; consultants. The amount is \$22,300 for three divisions and hopefully not more than eight weeks for the entire year.

Councilperson Stoner noted that last year when anticipated revenue was put forth she thought it was impractical and that it could not be achieved; however, the same argument was made that additional staff is needed. As far as Broward County staff, she provided invoices that showed they barely reached \$3,000 for a year for those Will Call from the County. There was a loss last year based on the projections and no staff adjustment was made. Now the new revenue is even lower than last year but more employees are being requested that were not needed last year to meet the need.

Mr. Sabouri explained that permits issued today are in excess of \$3 million and his budget was only \$2 million last year. The permits currently under construction have not reached the peak of inspection. There are still a number of jobs being reviewed that will go under construction next year. He did not see it the same as Councilperson Stoner.

Councilwoman Moody mentioned that bank service fees have gone from \$17,000 to \$40,000.

Mr. Sabouri explained that they started taking credit cards, which was not done in the past. The bank service fees are the credit card charges the department pays for customers using credit cards. Processing was difficult with only cash and checks. This line item is a guess because it is unknown how many people will pay by checks or charge. Bank service fees are what the vendor charges for processing credit cards; this year we had \$17,000. A lot of contractors are charging a large amount of permit fees and as they start using them they have to be increased. Less was budgeted the previous year but we are negative on bank service charges.

In response to Councilman Tingom, Mr. Sabouri advised that this year to date bank charges are \$24,000.

In response to Councilman Tingom, Ms. Caravella indicated that banks can charge anywhere from 2% to 7%. The problem is that the total number of contractors are increasing their use of credit cards rather than paying by check or cash.

In response to Councilwoman Moody, Mr. Sabouri stated that we started taking Mastercard and Visa.

Councilperson Stoner mentioned the Building reports sent to Council monthly and noted that it does not reflect an address or whether it is residential or commercial. She questioned if there is a way to include at least an address in the report. She was surprised that things were not coded with an "R" or "C" for residential or commercial.

Mr. Sabouri indicated that there is coding for residential and commercial because fees are different for each. He does not know about addresses; they are on the actual permits. He will look into this.

Herb Herriman, Finance Director, advised that Financial Services consist of two departments; Finance and Purchasing. Relative to Finance, there was a reduction in full time personnel of three and in Purchasing there was an increase of one part time person. Of the three that were reduced in Finance, the Budget Coordinator, was transferred over to Administration; therefore, there was a net reduction of two in Finance and an increase of a half of person in Purchasing. The Purchasing person is also assisting Finance to absorb some of the cause of the lack of two people because of a retirement and because of a transfer to another department. The large expenditure is about \$75,000 under outside services and that is for support services of the Microsoft Dynamics GP software integrated management system. That previously was budgeted in designated capital and is now budgeted in Finance. There are some other minor increases in training and arbitrage testing that has to be done on an annual basis for bond and loan issues that qualify. Purchasing is about where it was last year. We have a net income in staff of about \$140,000 in personnel services and an increase of \$96,000 in the expenditure; no capital outlay. He noted that \$75,000 of the \$96,000 is due to outside services; Tribridge, our consultant, who is used only as required. There is one take home vehicle, which belongs to the Director. There are not any other take home vehicles in this department. Relative to the credit card issue mentioned earlier, the fee is more like 3% as opposed to 2% or 7%. Currently under consideration is credit card implementation for the Utility Department and that will have a significant impact to the Utility Department once it is implemented. Currently they do not take credit cards.

Councilperson Stoner mentioned Page 64 under Materials and Supplies. In continuing to the pages of the breakdown which is page 67, membership and schools shows \$8,740 and additional numbers that total \$36,148 which are not on that list.

Mr. Herriman indicated that is part of personnel services. These are items that do not have anything to do with memberships and schools. He referenced Page 62 and noted that it is included in the personnel services number of \$1,094,000.

Robert Castro, Director of Information Technology, advised that everywhere he has ever worked IT has never been a revenue center; it is always a cost center unless he is allowed to charge back for services. They maintain the fabric that allows all of the partner departments to schedule, maintain, report on every detail, of all of the functions they professionally carry out on a daily basis. They take this responsibility very seriously. He believes the IT budget is straight forward.

Councilwoman Moody mentioned that the outside service fee went up from \$40,000 to almost \$72,000.

Mr. Castro indicated that certain skill sets are not on staff that we need; we outsource that. We have quite an extensive Sysco Infrastructure and he does some of the day to day things because he has done that in the past but when it becomes more than he can do or does not have time to do those kinds of services get outsourced. A larger amount was budgeted this year because they are anticipating opening up the new Center being built behind the East Water Plant, which will involve a lot of different skill sets from different industries.

In response to Councilman Tingom, Mr. Castro explained the capital outlay from \$158,000 to \$1 million. That is in part what he is talking about. Currently the City's information is in three separate places; in City Hall; in the Police Department and some at the Fire Department. Years ago we looked at a consolidated disaster recovery. Many situations were reviewed; however, it all involved additional infrastructure, circuits and more equipment; basically cloning what we had here somewhere else and moving data back and forth; all very expensive situations. A solution was offered and that is what is being done now along with Utilities. There was an empty tank behind the East Water Plant that would service as a hardened knot if it could be built up. Administration took that banner along with Design and Construction and it is almost to a point where we can move in. This would move all of our existing servers into this hardened knot where hopefully category 5 winds will not bother us.

Chief Harris, Fire Department, advised that he represents the Fire Department and Rescue.

Councilman Tingom expressed concern with nothing budgeted for capital this year. He questioned the capital needs in the Fire Department.

Chief Harris stated that they need fire stations, two aerials for \$3 million; engines, and Rescue and response vehicles. They also need utility trucks, which are air trucks and electrical trucks. Some of their equipment is 37 years old and it is unreliable. Many times they go to e-bay to get parts; they cannot get parts because the company is out of business. Capital is critical.

Councilperson Stoner mentioned uncollectible accounts.

Chief Harris indicated that uncollected accounts are what they bill out for the ambulance and transport; whatever the insurance does not pay is what you see. Because of the economy, insurance has changed and he cannot collect on Medicare; he gets whatever they give and that is it.

In response to Councilperson Stoner, Chief Harris commented that collections cannot be turned over to a collection agency; with Medicare they are not allowed. There is no solution; he cannot get anymore from the residents. This is an emergency service. The rate could be raised but the line item will go higher; it will not go any lower.

Councilperson Stoner questioned whether the line item could be removed so the budget would not look so bad since it is an unrealistic number.

Chief Harris stated that they have to show what is billed out. It is a balance issue; one part shows as revenue and this is seen as a liability.

Mayor Bendekovic advised that we have a collection agency for the bills we can collect that do have insurance. We are finding out that people were not paying their deductibles; therefore, we could not collect.

Mr. Herriman believed that the allowance is about 27% of the total revenue line item that has to be reported because of it being an Enterprise Fund. It is only a fair assumption that the collections be reported accurately; somewhere between 60% and 70%.

Chief Harris stated that he can bill \$500 and the collection rate is whatever the insurance pays, which may be \$300. Bills are collected five years later.

In response to Councilperson Stoner, Chief Harris believed that we need to show what is supposed to be collected versus what is done and a loss is shown. The number pretty much stays consistent; it should not get progressively higher. Some things have to be done for auditors and accountants.

Mayor Bendekovic indicated that a \$50 fee is charged because of nuisance calls.

In response to Mayor Bendekovic, Ms. Caravella stated that the total deferred capital for the department was \$12 million.

Councilman Levy confirmed that Pembroke Park does the same thing; they have to write off a lot if people do not have insurance and cannot afford to pay the fees. That has to be budgeted accordingly. For a number of years there was a discussion about developers paying for a ladder truck. He questioned the status of that discussion.

Mayor Bendekovic stated that the impact fees were part of the fire assessment and also the public impact safety fees.

Chief Harris indicated that the fire fees are strictly for capital. They are still talking with developers; however, it will not be as much of a cost as it was. The cost of a ladder truck is about \$1.3 million. They were looking at impact fees that would come from developers so it would be accumulated over a period of time until there is enough to pay for a truck.

Councilwoman Moody questioned whether there was discussion as to increasing the \$50 nuisance fee.

Chief Harris stated that the purpose of the nuisance fee was to try to create awareness and have them get help. They have to respond to all calls and they do not bill the first time they go. They try to educate the callers and get them assistance.

Larry Leeds, Director of Planning, Zoning and Economic Development, advised that there has not been any change in their full time employee count. A person retired in 2008 and that person was not replaced. There are currently nine full time employees in Planning and Zoning and one full time employee in Economic Development. There is also one full time employee and one part time employee in the CRA; however, that is not paid by the City, it is paid by the Community Redevelopment Agency. The Community Block Grant position is funded by the Department of Housing and Urban Development and that person handles most of our housing programs. They actually have nine budgets, three of which have both a capital and operating account. There is Planning and Zoning, Economic Development, Community Development Block Grant, NSP1 and NSP3, which all deal with housing. They also have SHIP, a small State program, the Gateway District, the Midtown District and the CRA Community Redevelopment Agency, each of which has a separate budget and both an operating and capital budget.

Councilperson Stoner noted that there is one person in Economic Development. The 2011 personnel services were \$88,520, the next year \$89,277, then \$91,652.

Mr. Leeds indicated that this person has not received a raise; the increase must be coming from health care or possibly something else. His department has not received a raise in at least three years.

Councilperson Stoner commented that the Community Relations has increased from \$2,500 to \$7,500.

Mr. Leeds explained that \$2,500 is for the Mayor's State of the City Address and \$5,000 is to fund the City of Plantation Summit traditionally held at the Renaissance Hotel.

Councilman Levy mentioned the CRA and questioned whether Mr. Leeds was familiar with what has been going on in Hallandale Beach over the last few months. The Inspector General and State Attorney have been investigating purchases by their CRA such as land and property over and above assessed values and a number of other types of situations. He questioned what checks and balances we have regarding our CRA to make sure that things that happened in Hallandale Beach cannot happen here.

Mr. Leeds stated that it will not happen here because we are not in the business of acquiring property; we only acquired one piece of property on Peters Road. The Administration, Finance and the City Attorney were all involved in that purchase and were very careful to get the best bargain possible. Any acquisitions or payments have to go through the CRA coordinator and himself. He has worked with CRA's in two other cities and there is a policy of being very careful in how money is spent. There is a public safety grant program in the Gateway District and we are very careful how that money is allocated. He is very comfortable that what happened in Hallandale will not happen here. This Administration and City Attorney are very involved and we are extremely careful.

In response to Councilman Levy, Mr. Leeds guaranteed that he makes sure that when he presents something to the CRA Review and Board that they are given everything to the best of his ability; therefore, that will not allow the City to fall into that trap.

Councilman Tingom indicated that the Plantation Gateway Board is very meticulous about making sure that things are done appropriately.

Mr. Leeds stated that we go through this process because we are the beneficiaries of housing funds from the Department of Housing and Urban Development and they scrutinize every dollar they give to every City, even more so lately. A lot of time is spent being very careful and a lot of paper is pushed to make sure that we are not in that situation.

Jim Romano, Director of Parks and Recreation, mentioned the golf course and requested that Mr. Scott join him. Mr. Scott is the owner of Guided Management and has been managing our golf facility since the inception in 2006. They do a wonderful job.

Paul Scott indicated that he is the managing partner of Guided Management Group. They have been managing the golf course for the last six and a half years. Plantation Preserve is one of the most beautiful, unique and successful municipal golf course operations in the State of Florida. He does not know of another facility that has the components we have with the park and the trail. The golf course is in spectacular condition. In reviewing the most recent financial figures for this year through the month of July, we are pretty much mirroring what we did last year through the month of July. Revenues are up about \$37,000 during that period of time and expenses are up about \$28,000; so they are about \$9,000 ahead, which is virtually the same. Through the month of April they were about \$130,000 or \$140,000 ahead but unfortunately, they had the first bad month weather wise in May since the golf course opened and there have been other weather issues through the current period. He is pleased where the golf course stands; it is in good financial shape.

Councilperson Stoner commented that she is very pleased with the service at the golf course. She mentioned a line item on page 312; for a 401k contribution for \$2,080. At the bottom of that group there is the Guided Management Group fee, payroll admin, payroll taxes, group health, 401k contribution and liability.

Mr. Scott advised that is the entire description of the amount of that column; that is a total.

In response to Councilperson Stoner, Mr. Scott does not know whether the City approves the amount of the 401 k contribution as part of the contract; they only started it a little over a year ago. It has always been in the budget for an amount and the budget amount was approved but they have only started doing it as of last May. The City did not pay for it until they started using it.

In response to Councilwoman Moody, Mr. Scott indicated that he has all of the employees; the City does not have any employees. It is listed under outside services and is broken down by department. Each department should list the actual salaries and wages and how it is broken down. He currently has about 73 employees and most of them are part time.

Councilperson Stoner mentioned increases that occurred in the past year and questioned whether one category has increased more than another.

Mr. Scott stated that they are a little higher for round revenues for now. The way the spreadsheets work is that they take a round of golf and assign a revenue amount for the merchandise sales, the golf shop, the driving range, and even for the food and beverage. After this period of time, the place has stabilized to the point where it is not difficult to project the revenues; they have stabilized enough and will stay pretty much the same. He can control some of the expenses and some he cannot. He does not have any control over increases in insurance. They have mirrored the City for the last three years; no one has been given any raises unless someone was promoted.

In response to Councilperson Stoner, Mr. Scott advised that there is a special discount for City residents but not for City residents that are seniors.

Mr. Romano indicated that earlier Councilman Jacobs mentioned that Parks and Recreation eliminated one employee, which was a little premature. That employee has to be added back because that position is an Assistant Site Manager. That person is needed to take care of the extra hours at Kennedy Community Center since it was determined to keep that facility open. That is an additional \$46,276.23. With these changes some of the facilities will be affected with regard to their hours of operation. One consideration with the reduction in the budget is to close Central Park on Sundays. All facilities will be closed on holidays; the Aquatics Complex will be closed half a day on Sunday and will be open from 1:00 p.m. to 4:30 p.m. All of the parks will remain open 365 days per year. Cuts to facilities will save approximately \$220,000. With regard to an increase of the electric bill and insurance statements, Parks and Recreation are one of the largest consumers of electricity in the City. In checking the electric bill budgeted last year and what was projected this year, there was an increase of \$49,444. Tennis and golf operations will remain the same although tennis did reduce one part time employee. He would like to add \$4,000 to the 4<sup>th</sup> of July budget because this year is our 60<sup>th</sup> birthday and he would like to incorporate the carnival that we used to do prior to the budget cuts to help celebrate the City's 60<sup>th</sup> anniversary. The PAL contract will be renewed. There was an audit meeting with Chuck Nichols, Mayor Bendekovic and Sam Metott. According to Mr. Nichols, the audit had no discrepancies and was almost perfect. Mr. Nichols stated that PAL has turned the organization around incredibly well.

In response to Councilperson Stoner, Mr. Romano advised that Parks and Recreation paid for the audit. In that contract they incorporated a capital budget line where they take all of the non-resident fees and put them into an account. To date, over \$93,000 was accumulated in that account. That money was used to benefit the athletic facilities such as new soccer goals, replacement air conditioning for coaches meeting rooms, sod on soccer fields, paint striping, etc. The fact that we were able to work with PAL as a partnership has benefited our athletic facilities.

In response to Mayor Bendekovic, Mr. Romano indicated that online soccer registration started and it is their goal to have all of PAL's registration online. Rec Trac registration is year around for PAL. All of the revenues are up for the facilities, athletics, recreation, and equestrian. Mr. Scott mentioned that the golf course is up; Aquatics are at 0%; and the tennis center is -7%. We are very proud of the tournaments we host in our City because of our great recreational facilities. A direct economic impact study has been done and these formulas are calculated by the Fort Lauderdale Tourist Development Council. Our Equestrian facility brought in an economic impact of \$183,000; the tennis facility brought in an economic impact of \$2.6 million; Aquatics events have an economic impact of \$4.8 million; and athletic events have an economic impact of approximately \$13 million. There is a monthly list that shows all of the events for the month. Restaurants are extremely busy during these events; therefore, a monthly list is sent to 55 vendors to alert them of what is going on in the City so they can be prepared with more food, drinks, clothing, etc. We have a premiere park system and this is something everyone should be proud of.

In response to Councilwoman Moody, Mr. Romano advised that there are five cars; three take home cars, one van and 30 maintenance trucks in the Parks and Recreation Department.

In response to Councilwoman Moody, Mayor Bendekovic stated that the 60<sup>th</sup> Anniversary starts in February and ends with the 4<sup>th</sup> of July celebration because there will be a 60<sup>th</sup> Anniversary pictorial book. The theme is "60 Years and Growing".

In response to Councilwoman Moody, Mr. Romano indicated that he was requesting an additional \$4,000.

Mayor Bendekovic commented that one event will be taken over by the Chamber of Commerce and the other two events will be with the Historical Museum and Shirley Schuler. There will not be any additional expenses. The book will be on sale with a signing on February 7, 2013. It will all be funded by sponsorships.

Councilwoman Moody mentioned the capital outlay; machinery and equipment, has gone from \$126,000 to \$156,000. She questioned whether there was anything specific or if this was a major cost.

Mr. Romano advised that they need a new truck, cushmans and a bump station. They are requesting two cushmans and he has an e-mail from the Public Works Department recommending that three cushmans be disposed of.

Councilwoman Moody stated that we are looking at selling some of our park land, which has been estimated at \$983,000. She believes that is way under value.

Hank Breitenkam, Director of Utilities, advised that the Utilities Department provides water and sanitary sewer service to the City. They operate and maintain two water treatment plants and a wastewater treatment plant that provides service to the entire City. They also have 135 sewer pump stations around the City. They offer 24/7 service and have staff that works 24/7 at the treatment plants. A big part of their budget is infrastructure rehab. The Utilities Department has stressed in the last five or seven years that they cannot fall behind on infrastructure rehab. We have the same types of pipes and systems that need rehab. It cannot all be done overnight but we need to consistently move forward and the projects that are moving forward are important and realistic. An important part of the infrastructure rehab effort is initiating a utility bond issue, which will be coming in the new budget year. Everyone needs to be cognizant that initially it was necessary to have an alternative water supply project built by the year 2015/2016 but because of conversation by Plantation residents we have been able to delay that project. We have not been able to eliminate that project; only delay it to around the year 2025; therefore, we need to prepare for it now. Another thing on the horizon is reuses, which is a big trend in the industry. We need to be prepared when we are required to build reuse facilities.

Councilman Tingom mentioned the reuse and questioned how far away that is before it is required and if we have a way to get the water to the golf course.

Mr. Breitenkam indicated that the property was purchased about a year and half to two years ago; 6.6 acres adjacent to the plat is where they would put the reuse facility. The path of the pipeline would be along the Holloway Canal in the canal right-of-way and along the Broward Boulevard canal.

In response to Councilman Tingom, Mr. Breitenkam stated that initially the Plantation Preserve Golf Course would take enough water. If we needed to move on to Phase 2 of the project, we would have to move out to Jacaranda Golf Course, which gets more and more expensive because of piping. The other possibility is going with reuse into the neighborhoods. We have a lot of concrete and asphalt; therefore, it is very expensive to get the water into the neighborhoods. We want to go for the larger users; we could also look at Heritage Park.

Councilman Tingom thanked Mr. Breitenkam for the water quality report that was recently sent to residents. It was very well done.

Frank DeCelles, Director of Public Works, submitted his budgets as written.

Councilman Levy commented that overall Public Works is up \$600,000 and he requested that Mr. DeCelles describe the increase so Council would have a general idea.

Mr. DeCelles indicated that the majority of the increase is for payroll and benefits. The areas increased in operating were the obvious; fuel, tires, electricity, water, wastewater. Another \$1,000 or \$2,000 was found in an attempt to overcome some of the shortfalls.

Councilman Levy noticed that health benefits were increased \$200,000.

Mr. DeCelles stated that there are six different divisions in the operation and each division is manned accordingly. He was hoping that someone would ask how many people they were going to add on; they have been extremely conservative for at least ten years as far as staff is concerned. Staff has held their own and he is very proud of their production level. Summer help personnel that we used to have to cover while regular employees would go on vacation are gone for next year.

Police Chief Harrison advised that the Police Department is Internationally Accredited as well as State Accredited. As of July 21, 2012 their communications center was individually certified by the International Accreditation. Their budget consists of 93.8% salary, wages and benefits and he has 6.2% in operating costs, including modest capital items.

In response to Councilwoman Moody, Chief Harrison indicated that 12 of the 13 positions that were not filled included six police officers, three dispatchers, one crime analyst, one service aid and one Code Enforcement Examiner.

Councilman Levy questioned how the department is affected when six police officer positions are not filled.

Chief Harrison stated that the same services will be provided; however, he does have some reorganization within the department.

Councilman Levy questioned whether the request for this budget is dependent on what we recommend regarding next year's taxes and millage rate. He is always concerned that the Police Department has the proper personnel to do their job and that the right people are on the road, in Administration, etc. Health and safety are his priorities. He questioned if these reductions in staff are dependent on what we provide as far as budget for our Police Department or is that something that has been done and it is cut out for good.

Mr. Shimun indicated that it is already taken out of the budget at this point. No matter what is done as a millage rate, it will not affect that. Chief Harrison kept all of the boots on the ground that we normally have out in the community and he took some things structurally within the management portion and moved them around.

Councilman Levy wants the Police Department to have the best they can to provide the best service, as they are the foot patrol to our community. This is one place he does not want to cut corners. The police officers are the first line of communication with the community and he does not want to see that harmed by the budget crisis.

Chief Harrison commented that there is still a daunting task ahead. He can still provide the services with the amount of people he has and he reiterated that some restructuring has been done.

Councilman Jacobs went back to the multi year capacity of budgeted positions, which noted that Code Enforcement had zero people and Public Safety Information Tech had zero people. He questioned why that is because we do have Code Enforcement.

Chief Harrison advised that we have Code Enforcement Examiners and we have a supervisor. Over the years Code Enforcement merged with the Police Department.

Ms. Caravella stated that 2006 is when the Info Tech and Public Safety IT were combined and Code Enforcement was combined.

In response to Councilman Jacobs, Ms. Caravella removed that information.

Councilwoman Stoner questioned \$69,000 for capital outlay; that seems surprisingly low for a Police Department.

Chief Harrison indicated that \$69,000 is very minimal. It is not higher because there is no money.

Councilwoman Stoner commented that we seem to have enough money for another \$4,000 for fireworks; why wouldn't we have money for the Police Department who defends us everyday? To truly run the Police Department to provide the safety, what is needed given you have less people and those who are there have additional responsibilities and additional stress. Being the center of the County has created additional responsibilities, not just responsibilities for our City but those that come through the City to get to another destination. She wonders what is needed to really do a proper job for the guys on the front line. What is needed here is more important than \$4,000 worth of fireworks.

Mayor Bendekovic stated that \$4,000 is not going to make it; that is a drop in the bucket.

Councilwoman Stoner indicated that it is about providing the correct tools to perform the job to the best of their ability.

In response to Mayor Bendekovic, Chief Harrison advised that we provide adequate safety for our police officers to go out and do their job.

Mayor Bendekovic stated that there is not one police officer who does not have the equipment needed to protect them.

Councilwoman Stoner commented that there is a difference between providing the minimum and providing something that provides a little more substantial protection whether it is for the police or for the community. This may be the minimum but it is not really where the Chief would like the force to be functioning with their PPE.

Chief Harrison completely agreed. They are very resourceful; they utilize grants to the fullest. They hold onto their equipment for a long time and try to keep up with it. Mr. DeCelles can attest to keeping the cars together. During these economic times he will hold onto the cars for an extra year; they will make do with what they have and they can do that. They are doing their part.

Councilman Levy advised that this is a backhanded compliment to the Chief, to his budget and to everyone involved because what he has done is come up with a way of providing, in his opinion, the best bang for the buck. Perhaps all of the departments could provide a wish list of things they would like to have or need that has not been requested this time so that Council can review it and maybe prioritize for future budgets.

Chief Harrison thanked Councilman Levy. They are in great need of a generator for the building but that is in the five-year capital. They need double wall fuel tanks and there are a number of things on the five-year capital.

Councilman Levy is in agreement with Councilwoman Stoner as far as making sure that our Police Department is first class all the way.

Ms. Caravella stated that the five-year capital plan in total deferred capital of \$21 million; the Police Department was a little more than \$6 million deferred.

Councilman Tingom mentioned newspaper articles about going to a County wide emergency call system. It is his understanding in speaking with some of the officers and firemen that we were on that system about ten years ago and it did not serve our residents well. With our communications system we currently have our residents have much quicker service when emergency vehicles are called for.

Chief Harrison agreed. He noted that our dispatch is one of the few Public Safety Answering Points that actually answer the phone within the mandated timeframe. All emergency calls are answered within ten seconds and we are at 91% to 92%. Our average emergency response time, from when the call is taken to when the officer arrives at the home, 4 minutes and 1 second three weeks ago, then it went to 4 minutes, and now it has jumped up to 4 minutes and 5 seconds. It is phenomenal to get a response time like that for emergency calls.

Mayor Bendekovic commented that is also true with the Fire Department. Our Police and Fire response time is better than anywhere in the County; some of them track it from the time the engine leaves the station and we do it from the time the call comes into dispatch.

Chief Harrison recognized Deputy Chief DeLeo for the communications because he has been tireless in all of his meetings with the County and Motorola. It is a lot of work. He has worked on the contract for this and has already reduced the cost that was initially quoted to us.

Councilman Levy stated that both he and Mr. Shimun sit on the Central Communications Committee for the County and they have been attending meetings for months. He requested an update as to Plantation's status. They keep trying to have Plantation be part of the overall and then charge us for making the decisions regarding centralized communications that are out of our control by putting the communication in other cities other than Plantation. We have continuously opted out and maintained our own identity.

Chief Harrison advised that there are two components to that; one is the connectivity, the interlocal communications being able to communicate with all of the departments within the County. The second component is for us to regionalize; we will no longer have a communication center but we will still need to answer non-emergency calls so we would be doing away with our communications. We are already in agreement that we will be interlocal, meaning the connectivity between all of the different cities and there is a line item for a connectivity fee for that service; not the regionalized.

Councilman Levy indicated that we are under a lot of pressure from the County to give in and then we lose control. The minute you give up control to the County you will never get it back and you will be paying more.

Gary Shimun, Chief Administrative Officer, advised that as far as Administration's budget is concerned there were three departments that were moved into their department; two for budgeting and the other for Public Relations. When looking at the budget and seeing the increase in personnel costs those are the reasons.

Councilwoman Stoner has not seen adjustments in the budget so that we do not have this again. Administration did hire people last year even though we believed that people were not being replaced when they left. This budget basically looks like all of the other budgets received.

Mr. Shimun indicated that we are stuck with a structural problem. Back in 2007 the State rolled us back 7% and then the market tanked the next year and property values went down 40% to 60%. Our revenues, based on ad valorem, were hit by that. The State, through their laws and regulations of the City, besides the fact that they took away other forms of revenue from us, limits Save Our Homes to a 3% increase on anyone who is part of that program. The upcoming election in the Fall has a proposal that will limit any properties to a 5% increase while the State allows a return somewhere between 3% and 5% per year while we look at a 50% drop in value. The problem is that we will never achieve the 2006 level again. Part of the State Law that tells us how to raise the millage also says that after a certain amount of increase requires a unanimous vote. The State has empowered each of the Council members with veto power because at a certain level anyone of you can say no and it does not happen. We are dealing with the band aid approach to get us through. The problem is that over the next five years we are going to have to radically change how we fund local government and Council is going to have to look at what programs they want to provide the citizens because it will never be what it was before. We will get through this year but next year we will go through the hard time of asking what Council wants to continue to do. The strategic plan has begun, which will give us a better idea of where we are going, but in reality, Council will have to decide what programs and services they want to provide the public because we will never have that level of money back again.

Councilwoman Stoner commented that the biggest portion of our budget is employees. FOP aside, what is being addressed on the General Employee side as far as adjustments?

Mr. Shimun stated that Council will advise as to what programs they want to continue in the future. Revenue can be added but because of restrictions by the State, we can never add enough to get back to where we were. All of the programs will not be able to be funded; therefore, a decision needs to be made as to what to keep. Most of our expenses are with employees; therefore, they need to know where to cut.

Mayor Bendekovic advised that we have \$25,072,030 in reserves and of those reserves we have non expendable, restricted, committed and assigned. The one that we could go to would be the unassigned reserves, which is only \$1.2 million. A balanced budget was prepared at a 1.5 millage and the maximum millage was set at 1.5. She needs a consensus tonight because it is counter-productive to anyone to produce a budget this is not going to be approved. She reiterated that she needs a consensus on the actual millage rate that Council would approve on September 12, 2012. She needs five votes to say that you will support the 1.5 millage and if it is not there we will move onto the next millage rate.

Councilman Levy believed that it was premature to request Council to do this tonight; they were not prepared for this and were garnering information. It is going to take him a few more weeks, based on what he learned tonight, to review this budget and come up with recommendations prior to the September 12, 2012 meeting. He is still awaiting figures from Department Heads on some thoughts that he has had. If you need to move forward his suggestion would be to give a .5 mill budget; a 1 mill budget or a 1.5 mill budget. He believes the onus is on the Mayor rather than on Council tonight; he does not think it is fair to ask them tonight to come up with a consensus.

In response to Mayor Bendekovic, Councilman Levy advised that he will not give an answer tonight because he does not feel is prepared to do so.

Mayor Bendekovic clarified that he wants her to bring back a budget of 1.5 mills at which time he will choose to not approve it and then she only has a week in between. If Council would give her an incentive at this time; she needs a starting point. She needs to know what reductions are wanted in 1 mill because that means that she needs to come up with \$2.7 million. She is giving choices and needs to know what the consensus would be.

Councilman Levy reiterated that he did not feel comfortable in giving that tonight. If Council were to say 1 mill tonight that still does not provide the information being requested. He stated that tonight was information gathering; it is not necessarily that tonight is the night to do the cuts and questions. Based on information gathered tonight we are supposed to come back with proposals and ideas prior to the September 12, 2012 hearing.

Mayor Bendekovic stated that we began in January. She has provided more information and numbers than Council has ever had prior to going to a budget. On June 14, 2012 and July 11, 2012 she gave an informational. She can create the budget but if it is not a budget that Council is going to approve there is no need in creating it.

Councilman Levy questioned what good is having a public hearing if we have already decided on the millage rate. Why have a public hearing in September? We are having a public hearing in September to determine what millage rate we are going to vote on and you are requesting us to do that tonight prior to the public hearing.

Mayor Bendekovic commented that if Council is not going to approve the 1.5 millage rate there will have to be cuts. There is not enough time.

Mr. Lunny advised that the Mayor is only looking for consensus as he understands it. As a legal matter, he does not think Council is deciding anything tonight. As he understands the request, it is to get to the point of preparation for the next step.

Councilman Levy emphasized that asking for a consensus tonight is premature.

Councilman Jacobs believed that we should try to come up with something tonight. He was willing to do it.

Councilwoman Moody stated that we have the budget for the 1.5 mills and believes that the Mayor is trying to get a relative figure in order to get a handle on things. For the last five or six years she has been saying that government has to change and if we do not it is going to get to a point where we are really going to have to change and we will have to make decisions we do not want to make. She does not know why we have to wait until next year. We need to make some tough decisions. This is going to be a shared responsibility for the taxpayers, the General Employees and the FOP. She is not going to vote for a 1.5 millage. She would have no problem trying to help out because she will take the information and try to find even more cuts. She has no problem looking at a millage increase but we have to control some costs.

Mayor Bendekovic questioned whether Council would consider a 1.25 mill; a 1.18 mill, or a 1 mill. If so, then she would like to go through all of the reductions that could be made and determine the comfort level. She would also like to go through what could be generated in additional revenue so that the gap could be closed.

In response to Councilman Jacobs, Mayor Bendekovic indicated that if there were a .5 mill increase we would need to find about \$6 million.

Councilman Jacobs encouraged the Council to at least have a discussion and try to give some consensus to Administration.

Ms. Caravella clarified that 1 mill would be \$2.8 million; .8 mills would be \$4 million and .4 mills would be \$6.79 million.

In response to Councilman Jacobs, Ms. Caravella advised that no additional cuts have been decided.

Mayor Bendekovic indicated that is a millage only increase. If it were a 1.5 mill we would have a +\$445,000 which would be put into reserves and capital; 1 mill would be \$2.8 million and that is millage only.

Ms. Caravella stated that .8 mills equals \$4.1 million; .4 mills equals \$6.7 million and keeping it where it is at equals \$9.3 million.

Mayor Bendekovic commented that once there is a figure we could go into reduction points. She is going to provide a figure with all of the generating revenue and all of the expenses.

Councilman Tingom clarified that the suggestion is that we go through the reductions and additional revenues.

Mr. Lunny believed that made the most sense.

Mayor Bendekovic stated that Council would have the figures and numbers and could match them up with whatever millage rate.

Mr. Shimun provided a brief overview of reductions and savings already implemented as follows:

- 13 days are already out of the budget so that is not something to tack on.
- Eight General Employee positions were already taken out of the current fiscal year and over the last five or six years 64 positions were taken out of the entire budget.
- 4% contributions to medical insurance were added and a reduction in staff.
- No raises for General Employees; this is the third year.
- The Employee Health and Wellness Center opened and there has been a savings for doing that.
- There is a Choice Plus Plan for the vast majority of employees for a savings and the Standard Choice Insurance Plan is being implemented, which is a 10% cost to employees, assuming that they do not go to the Wellness Center and move onto the next tier.
- The Tier 2 pension fund has already been implemented.

Current expenditure reductions to look at:

- A three-day furlough where the City is closed for the Thanksgiving week will save about \$249,000.
- Plantation Community Center at Kennedy Park; if torn down and nothing is done we will save about \$272,000.
- Elimination of the Plantation Tram would save about \$220,000.
- Privatization of various departments range anywhere from a savings of a couple hundred thousand dollars to \$5.2 million, depending on what department you are talking about.
- Cutting additional positions. We need to know what programs and services we are no longer going to provide to the public.
- We are in the process of the FOP Collective Bargaining. The question becomes how much pressure you want us to put on them to basically give money back.

- Wage reductions across the board for everyone; however, that would also have to be negotiated with the FOP because they are a substantial part of the budget.

Councilman Jacobs mentioned that eight employees were cut for a savings of about \$322,000. He questioned whether that is a number that can be used as a rule of thumb.

Mr. Shimun indicated that would depend on which employees are being cut. If people who cut grass are cut it may save \$50,000 to \$60,000 per year; if a Police Sergeant is cut it will save about \$150,000 to \$175,000 per year.

Councilman Jacobs believed that Council might need a little help in what might be the wisest choice of things not to do from the people that do it.

Mr. Shimun noted that one of the things we are doing in the Strategic Plan is taking inventory of everything we do. Councilwoman Moody suggested that we need to be doing it this year rather than next year but we really do not have the information available to make wise decisions.

Councilman Jacobs questioned how can we get a balanced budget and what cuts can be made now.

Mr. Shimun indicated that Council can look at the aforementioned suggestions and there will be some revenue enhancements in places other than millage rate as well.

In response to Councilwoman Moody, Mayor Bendekovic advised that the ridership on the Plantation Tram this year was about 13,000.

Councilwoman Moody stated that she knows that none of the Council wants to cut any positions. She questioned if privatizing was considered whether there would be a way to have them hire our employees.

Mr. Shimun stated that with regard to privatizing, part of the contract lists an ability to pick up the employees but they cannot be forced to keep anyone. He pointed out that when he met with other places who have privatized, they were given a rule of thumb of savings that any individual department would save somewhere between 20% and 30%; that would be total costs.

Councilman Tingom commented that privatization sometimes leads to a lack of control of the organizational unit. He referenced the City of Weston and questioned why their tax rate is about two times higher than Plantation's tax rate.

Mr. Shimun advised that the City of Weston's actual millage rate is much lower than ours but their overall tax burden is higher than ours. The actual millage rates are lower but their overall fees are higher.

Councilwoman Moody commented that the Plantation Preserve is privatized and doing well.

Councilman Levy stated that privatization does not work. Every City he has known over the last 25 years that has gone to privatization has found that the loss of control is very significant. People are not dedicated to the City; their job is dedicated to that employer and they could care less. There is no linkage with the local community and that creates a problem. Also, the costs do not farm out and even on emergency procedures, if you try to get the company to do anything above the contract they refuse to do it. As far as Weston, the total assessment is at least triple what you would pay in Plantation because of the Indian Trace Development District.

We have pride in our community and employees and they in turn have pride in us and he is not going to forego that as long as he is on Council.

Mayor Bendekovic suggested that Council give her a consensus of a 1.18 mill. They will go back and create a budget with a 1.18 mill and bring it back on September 12, 2012. If Council is still not in agreement it can be discussed at that time.

Councilman Levy commented that he did not mean to be negative and noted that one of the things we are required by law to do is to pay for the employees' health insurance; we are not required to pay for the employees' family health insurance. He suggested that we look at the benefits that we are required by law but after a certain date, so that no present employee is affected at all, then no more family benefits for employees. Other City's have done this and as of a certain date any new employee who comes along knows they will not have family health insurance paid. This will save millions of dollars and allow us to cover our present needs and plan for a future that does not throw it on the taxpayer to cover these types of benefits. There are other ways of doing this; there is a cafeteria plan where the employee is given a certain amount of money and you pay for their health and within that they choose what they want to do with that money to pay for their dependents. This way the City can plan accordingly knowing that the amount is not going up every year. In his opinion, this will save us these financial crises in the future. He was hoping to present this properly at the next hearing but we are working now to get the facts and figures. He is talking about every employee; not just the 25 that were hired in the past.

In response to Councilman Levy, Mayor Bendekovic advised that employees are paying \$44 biweekly. She questioned whether he would be willing to allow any new employee to have the option to buy family coverage and pay for it themselves. They looked at the hires in budgeted positions and of those 25, 11 have the employee benefit only, which comes to \$189,000.

Councilman Levy stated that multiplying the same ratio by all of the employees is how much of a savings we would not have to pay each year. We have to show some drastic change and not paying for future employees' family benefits is one of the things we can do without hurting the community and the services we provide.

Ms. Moale indicated that the City pays \$865 bi-weekly for employee plus family. She noted that not everyone has family coverage. She advised that she would be happy to prepare some options for consideration.

Councilman Jacobs mentioned that we would roughly save about \$4.3 million per year if every employee were in that new program.

Mayor Bendekovic advised that she will prepare the budget with a 1.18 millage. This is the maximum allowed for four votes; she has to have four votes.

Councilman Tingom questioned whether it is feasible that 1.18 would be considered on September 12, 2012.

Councilman Jacobs stated that would be like \$2.7 million cut out of the budget.

Councilwoman Moody likes the .08 but will look at 1 mill.

In response to Councilman Jacobs, Councilman Tingom clarified that Council has said if we reduce services and cut some departments we can reach the millage but it will require Council to make a decision as to which things we do not want.

Councilwoman Moody, Councilman Jacobs and Councilperson Stoner advised that they would be willing to go with 1 mill.

Councilman Levy preferred to go to 1.18 mills because it allows some flexibility.

Councilman Tingom believed that flexibility is needed and concurred with Councilman Levy at 1.18 mills.

Mayor Bendekovic advised that they will put what they think should be listed for the revenue and the deductions.

Councilman Jacobs commented that the revenue has to be politically realistic. There has already been talk about the fire fee and members of the Council said that people are not going to support that.

Mayor Bendekovic indicated that if Council did not want to do an \$80 fire assessment fee we could do a \$40 or \$20 fee just to get started.

Councilman Levy stated that if we are not going to put in a fire fee let's not go to anything other than an all inclusive tax rate so people can deduct it from their Federal taxes. Once a fee is put in it cannot be deducted from their Federal taxes. If we were to limit that and charge fees the person who would get hurt the most is the small business owner because those fees cannot be deducted from the Federal taxes. We are trying to be proactive for the taxpayer but proactive for the business community by having an all inclusive tax fee. He noted that he would support only that and no fire fee.

Councilman Tingom believed there was a consensus on 1 mill and perhaps on 1.18 mills, depending on how the budget comes back. He also believed that there was a consensus that we are not going to look at privatization on a large scale.

Councilperson Stoner was not sure whether she agreed on no privatization.

Councilman Jacobs mentioned that depending on what was being privatized he might consider it.

Ms. Caravella indicated that when the Mayor gets back in town they will discuss the plan and the information would be available within a couple of days of discussion.

\* \* \* \* \*

Meeting adjourned at 9:34 p.m.

\_\_\_\_\_  
Peter S. Tingom, 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 \_\_\_\_\_, 2013.

\_\_\_\_\_  
Susan Slattery, City Clerk