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AND SPECIAL MEETING CITY COMMISSION
FORT LAUDERDALE, FLORIDA
JULY 22, 2003**

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**MINUTES OF A RECESSED REGULAR MEETING
AND SPECIAL MEETING CITY COMMISSION
FORT LAUDERDALE, FLORIDA
JULY 22, 2003**

Meeting was called to order at 6:05 p.m. by Mayor Naugle on the above date, City Commission Meeting Room.

Roll call showed:

Present: Commissioner Christine Teel
Commissioner Dean J. Trantalis
Commissioner Cindi Hutchinson
Commissioner Carlton B. Moore (Arrived at 6:08 p..m)
Mayor Jim Naugle

Absent: None.

Also Present: City Manager
City Attorney
City Clerk
Sergeant At Arms, Sergeant Roddy.

NOTE: All items were presented by Mayor Naugle unless otherwise shown, and all those desiring to be heard were heard. Items discussed are identified by the agenda number for reference. Items not on the agenda carry the description "OB" (Other Business).

Mayor Naugle announced that two other items had been placed on tonight's agenda and would be heard first before the Budget.

Health Insurance Rates – Nonbargaining Unit (R-1)
Employees (Management and Confidential)

Commissioner Hutchinson introduced the following resolution:

RESOLUTION NO. 03-128

A RESOLUTION OF THE CITY COMMISSION OF THE CITY OF FORT LAUDERDALE, FLORIDA, RESCINDING RESOLUTION NO. 02-109 PERTAINING TO ESTABLISHING BI-WEEKLY PAYROLL DEDUCTIONS FOR PAY SCHEDULE I AND PAY SCHEDULE II AND AUTHORIZING THE ESTABLISHMENT OF NEW PAYROLL DEDUCTION RATES FOR NONBARGAINING EMPLOYEES, AND FURTHER AUTHORIZING A SPECIAL ENROLLMENT PERIOD TO PERMIT EMPLOYEES TO ADJUST THEIR SELECTION OF MEDICAL COVERAGE BASED UPON THE NEW RATE STRUCTURE.

Which resolution was read by title only. Roll call showed: YEAS: Commissioners Teel, Trantalis, and Mayor Naugle. NAYS: Commissioner Hutchinson.

Demolition of Buildings**(R-2)**

At its meeting of July 17, 2003, the Unsafe Structures and Housing Appeals Board recommended the City demolish the properties at 2761, 2781 and 2787 Davie Boulevard and assess them with all appropriate costs.

Commissioner Moore entered the meeting at approximately 6:08 p.m.

Scott Backman, attorney representing the property owner, stated that in 1958 they had entered into a triple-net lease, and the lessee was responsible for all improvements at the property. He stated they had no opinion regarding the Order of the Commission, but just wanted to make sure that the property would be rebuilt properly and safely for the community.

Commissioner Trantalis asked if there were any code violations on the property at this time.

John Simmons, Assistant Director Community Inspections, stated that he was not sure, but would check on the matter and report back to the Commissioner.

Commissioner Trantalis reiterated that this property had been in a deteriorated condition since the fire on December 24th and wanted to know if the property owner would get a "windfall" through the demolition of the building by the City. He also asked what had the City done in an attempt to encourage the landowner to rehabilitate the property.

Mr. Simmons stated that the Unsafe Structures case had begun immediately after the fire.

Commissioner Hutchinson introduced the following resolution:

RESOLUTION NO. 03-129

A RESOLUTION OF THE CITY COMMISSION OF THE CITY OF FORT LAUDERDALE, FLORIDA, ORDERING THE DEMOLITION OF THE BUILDING OR BUILDINGS UPON EACH PROPERTY LEGALLY DESCRIBED IN THE ATTACHED SCHEDULE "A," BECAUSE OF NON-COMPLIANCE WITH THE FLORIDA BUILDING CODE.

Which resolution was read by title only. Roll call showed: YEAS: Commissioners Teel, Trantalis, Moore, Hutchinson, and Mayor Naugle. NAYS: None.

Mayor Naugle asked when the demolition would take place. Mr. Simmons replied that the demolition had to wait until August 19, 2003 due to a requirement of the Florida Statute to allow 30 days for the owner to appeal the decision of the Unsafe Structures Board which hearing was held on July 17, 2003.

Mr. Backman reiterated that the lessee was responsible for the improvements on the property. He was informed that they intended to do the demolition work themselves and plans were to be submitted for permits tomorrow.

Tentative Annual Budget for Fiscal Year 2003/2004

A resolution accepting the City Manager's Budget Message for Fiscal Year 2003/2004; and further authorizing the City Manager to compute a proposed millage rate for the City of Fort Lauderdale and the Sunrise Key Neighborhood Improvement District, and to advise the Broward County Property Appraiser of such proposed millage rates.

Floyd Johnson, City Manager, stated that he was presenting his recommended Operating Budget for Fiscal Year 2003/2004 and had been held over from the Commission Meeting last Tuesday, July 15, 2003. He stated that he was going to review the highlights of what was included in the budget information, and then they would follow with Commission discussion and action thereafter. He stated the importance of this presentation was to set forth the basis for the Commission to hopefully set a preliminary millage rate, the likes of which could not be exceeded in September. The rate could be lowered between now and the two required hearings, but could not be increased. Tonight, hopefully enough information would be provided to the Commission so an informed decision could be made relative to the highest level of the millage rate with the idea that it could be lowered.

The City Manager stated that he needed to spend some time explaining how they got to their present position, and during the presentation he would supply the dates upon when they knew what, and when and what was done with that particular information. He stated they were not unique in their position in the budgetary process in terms of what was proposed for next year. He stated that he was not leaning on what had been the challenge facing other municipalities, counties, and states, but felt the pain was being shared throughout the Country in terms of what they were attempting to accomplish.

The City Manager stated that he would first review the proposed appropriations for next year. He explained that in the All Funds Budget which included the General Fund and the enterprise self-sufficient funds, they were proposing to go from \$345 Million to \$373 Million which was an 8% increase. For the General Fund they were proposing an increase from \$206 Million to \$213 Million which was a 4% increase. He further stated that they were looking at an Operating Budget for this current year of a millage rate of \$4.85 per \$100,000 of assessed valuation. He stated they were proposing a millage rate for next year of \$4.9523 or roughly \$4.96 per \$100,000 of assessed valuation for an operating millage increase of 2%.

The City Manager continued stating that the component which dealt with debt service which was the amount of money the City had to pay on monies they had borrowed. He explained that debt service was going down from \$.42 per \$100,000 of assessed valuation to \$.37 which was minus 13%. He explained that rate-to-rate when adding up all the millage, they were looking at going from \$5.26 to \$5.32 or roughly a 1% rate-to-rate increase.

The City Manager stated that there were two major areas from where they drew revenues. First and foremost were property taxes. He explained that in the General Fund there was \$82.3 Million or 42% proposed from property taxes. All Funds was 82.5% or 27% because charges for services which was primarily the water and sewer fund and other funds with direct charges, there was \$108 Million or 36% coming from those areas. He stated that the other areas were shown on the graphics chart. He stated that interest earnings were \$1 Million to the General Fund and \$2.1 Million in the All Funds Budget. He stated it should be noted that on the schedule, transfers and beginning balances were not included in the numbers, and would be reflected after the books were closed on one fiscal year rolling it to the succeeding fiscal year.

The City Manager stated that he did not think it was a surprise that over the last 5 years, they had priorities established by the Commission and backed by the Community regarding public safety, and had poured additional resources into public services most notably in their water, wastewater master plan implementation. He proceeded to show graphics regarding this information. He stated that \$21.8 Million or 11% in the General Fund went to public services. In

looking at All Funds due to the enormity of that project, \$97.5 Million or 32% would be going to public services. He further stated that police, fire and parks and recreation were the most labor intensive units followed with \$72.6 Million for police, \$46.2 Million for fire-rescue, and \$27 Million for Parks and Recreation. He stated in the All Funds Budget it translated to \$73 Million, \$46 Million and \$27 Million, respectively. He stated that those priorities were the same as they were for the last 3 years. The City Manager further stated that ending balances and transfers were not included in the calculations.

The City Manager stated that what had happened last year was that first and foremost revenues had come in at below budget by some \$414,000, which included monies projected to be received from the State, including State shared sales tax and interest earnings. He stated there were some over-expenditures such as police overtime which exceeded the original budget by \$2 Million, fire-rescue overtime which exceeded the original budget by \$700,000, and parks and recreation which exceeded the original budget by \$100,000. He explained that these numbers were not for this current year, but had been the numbers which had been rolled into this year's budget from the Fiscal Year 2002.

The City Manager stated that for the current fiscal year, it had not taken them long to realize that there were some major challenges, and they had begun recognizing them in January, 2003. He further stated that they had to support and find resources for the elections and the final costs were still not in. Costs for special events, anticipated pension increases, insurance costs, and rising increases in property insurance at 32% were necessary to address. He stated they had to look at City sponsored and co-sponsored festivals, the cost and the return for those events. In the current fiscal year they had closed the books on 2002 in March of this year, and showed \$3.4 Million less to carry forward than what had originally been projected.

The City Manager stated that in April, 2003, they had provided an overview to the Commission and alerted them to a number of areas of concern which had to be adjusted in order to comply with the law and ease the pain for the next year. In May, 2003, they went to the Commission with current budget projections based upon what had been discovered from January through March, and showed if they continued without adjustments that \$4.3 Million would be a shortfall for the current budget year. Following that news in June the pension actuarial studies reflected the impact of low interest earnings on the City's contribution to the pension funds. As a result of that alone, there was a recommended adjustment for next year of \$8 Million more going into the pension funds, and \$6 Million for police and fire, and \$2 Million for General Employees.

The City Manager stated that it was not until the first week of this month that they were advised of the final line regarding the property appraisers value adjustment board process, which reduced the value of the taxroll by \$237 Million. He stated that this reduction had a net effect of taking \$1 Million from what they had

projected to obtain from property taxes. The process in smaller jurisdictions was supposed to show that by the end of October, they would have gone through the value adjustment board process and know exactly what gross they would have been getting. He stated they had only found out in July and that was another unanticipated hit of \$1 Million.

The City Manager advised that on July 1, 2003, the Commission had discussed the challenges for the current budget year, and recommended solutions had been presented. After considerable discussion and the exploration of means of dealing with this situation, they looked at savings within each department, the working capital reserve, what was remaining in the way of contingencies, reduced advances to the CRA without jeopardizing any projects, and freezes were placed on hiring, travel, and capital outlay.

The City Manager further stated that there were challenges for the next fiscal year. There was going to be a low General Fund balance going forward, and they knew there were several areas of proposed increases regarding expenditures. He stated that the pension costs were \$8 Million, health insurance of \$2 Million, Workers Compensation for the General Fund would be \$2 Million, and another \$3 Million for overall workers compensation. He further explained that both pension and workers compensation increases were borne out of actuarial studies provided by outside independent actuaries. In addition to the increases in expenditures, they also anticipated some down turn in revenues. The major source of revenue had always been utility franchises, and they were anticipating that FPL would be \$800,000 less for the next fiscal year.

The City Manager stated that Intergovernmental was primarily State grants and transfers would be \$1 Million less than what had been anticipated, and interest income would go down about \$400,000.

The City Manager explained that in an effort to balance things, they were balancing other interests that they were challenged to protect. He realized that individuals probably had other suggestions that could be used to balance the budget, but none of them were items that were taken lightly or that they enjoyed doing.

The following recommendations were being suggested:

First and foremost they would continue to scrutinize hiring, purchasing and travel in an attempt to save \$1.1 Million.

Closing the Oriole Stadium during the months after spring training, thereby reducing maintenance costs and saving \$180,000. They were proposing not to close it entirely and two more seasons remained in the contract, and then decide on its longevity following the next season.

Ceasing operation of the swimming pools at Sunrise and Fort Lauderdale High School. The pools were the property of the schools in which they were housed, but the City provided the programming and staffing and looked to save about \$50,000.

Eliminating 4 positions previously funded by outside sources, and two of those positions were police officers who provided patrol in the DDA area. The arrangement had been that they would share the cost, and DDA determined they no longer wanted to participate, so therefore, the City would not participate in such an arrangement either and the officers would be reassigned elsewhere. Similarly, there were 2 code enforcement officers which had been funded by the CRA to provide intensified code enforcement efforts within the CRA, and that was no longer something the City could afford to do. They were recommending eliminating this and all those efforts combined would hopefully save the City \$220,000.

Currently, the medians were mowed by outside contractors on an average between every 7-10 days. They were proposing that the frequency be reduced to 10-15 days and save about \$100,000 with that effort.

Elimination of the mounted police patrol.

Transferring on a one-time basis \$600,000 from parking funds. The budget as originally proposed to the Commission had recommended an increase in parking fines to \$20, and they were requesting \$25 so more revenue could grow in that area and assist in closing the gaps.

The City Manager stated that for the aggregate impact of \$1.4 Million, they were looking at freezing the following positions: Park rangers would be focused on larger and more active parks. Park maintenance to be reduced in a prudent fashion. The City Manager stated that the City and its citizens had stepped up repeatedly to pledge their money for more and better improved parks, but stated there were costs associated with the maintenance of those park facilities.

Engineering and facility maintenance positions would be focused on greater productivity from the employees.

Administrative Services and Finance had been reviewed, along with the Fleet Program which had been reviewed. He stated they were also looking at the Parks capital projects and felt they could save about \$300,000 without unduly delaying projects.

No increase in the General Fund contribution to the General CIP. There was about \$400,000 currently in the fund.

The City Manager explained that among the most painful aspects of having to do these things was to go before the employees and the bargaining unit presidents and explain the impacts that would affect all employees. He stated that he had previously remarked that no matter what, he was going to see that no one lost their jobs, and that was a commitment he held fast to throughout the development of the budgetary process despite strong feelings from senior members of his staff as to how that could be accomplished. The City Manager stated that the proposed budget made good on that commitment, but at the same time they were asking the employees to help sacrifice so everyone could retain their jobs. He added that they wanted to keep the pension plans sound and had a fiduciary and moral responsibility to those who had worked and were retired, those nearing retirement age, and to those who may never retire.

The City Manager further stated that no cost of living adjustments were recommended in this year’s budget, and other salary savings would add up to \$2.4 Million that they were obligated to negotiate with the bargaining units.

The City Manager stated that other adjustments made aside from the ad valorem taxation were as follows:

The City Manager explained they did fund accounting and could not borrow from one fund to meet the expenses of another, and could not use enterprise fund dollars to pay for the operating things of other departments outside of those enterprise funds.

<u>Current Rate</u>	<u>Proposed Rate for the Next Year</u>
\$53.09 5% increase Water and Sewer rates backed by revenue bonds	\$55.80
\$2.35 Stormwater rates 5% increase monthly	\$2.47
\$42.00 Fire assessment on an annual basis – 50% increase	\$63.00
\$28.95 Sanitation rates – recommending a 10% increase which was based by revenue bonds	\$31.85
\$5.27 Property tax rate	\$5.32

The City Manager stated that for the average homeowner of a \$190,000 home with a \$25,000 Homestead Exemption, there would be an annual impact of \$122.08.

The City Manager stated that when they went to sell the bond any rates which were backed by bonds had to show where they would get the necessary coverage throughout the life of the bonds, and full faith and credit of either the stormwater and water systems or other sources. He explained they were reviewed by bond rating agencies and had to be satisfied that the obligations would be fulfilled. He further explained that the ratings which were given to the City would determine the type of interest rates that would be paid. He stated that the City had been viewed favorably in regard to the sale of their bonds and they wanted to keep such ratings by honoring the commitments they had made.

The City Manager explained that in previous actions the Commission had already set the dates for the two required public hearings and would be on September 3, 2003 and September 16, 2003 at 6:00 p.m. He stated that the action taken tonight would be to establish a millage rate that would allow them to deliver the services proposed, but which could not be exceeded at the time of the public hearings. He explained the idea was to establish a high enough millage rate temporarily that the City would levy for 2004. He reiterated that adjustments could be made to the rate before the dates of the hearings.

The City Manager stated that this City was not standing alone in regard to the fiscal challenges they were faced with because other jurisdictions were having the same problems. He further stated that the budget was always the focal point for the development and implementation of City policy, and perhaps that was the most important and significant thing that the Commission did. He stated the Commission's role up to September 16, 2003 was to establish policy in regard to what type of budget was wanted for the ensuing year, but more significantly this taught them that "sticking their finger in the dike" every 6 months and developing and carrying out the budget was not sufficient action to be taken. Clearly, this City needed a strategic financial plan to identify the long-term implications for the City. He stated that each time the Commission approved a budget they looked to see what was in the best interest of the City and its employees, but may not have examined the long-term implications of such actions. He, therefore, was proposing that with the adoption of next year's budget, they would return before the Commission mid-way with recommended long-term financial plans which would get them out of this type of situation, and foresee and plan for drops in the economy which had been experienced.

Mayor Naugle asked what was the rollback rate and what was the percentage of this budget over that rate. He explained that was what was advertised and went to the residents homes and businesses for the budget hearing.

Terry Sharp, Finance Director, stated that the rollback rate for the operating millage was \$4.3403, and the proposed millage rate would be 14.04% over rollback. Technically, there was no rollback for debt service, but if there was one for the 1987, 1992, and 1998 bonds the debt service rollback rate would be .2138

and the rate proposed was .2194, which was 2.62% higher than rollback. He stated that for the 1997 bonds which were refunded in 2002, the rollback rate was .1634 and the proposed rate was .1488, and was 8.94% less than the rollback rate. If these were combined together, the proposed total millage rate over rollback would be \$4.7175, and the combined rate was \$5.3205, which was 12.73% over rollback.

Mayor Naugle further asked what was the amount in property taxes that would be raised for the 14%. Mr. Sharp stated that in round numbers the City would net \$12 Million. He stated that the rollback rate would give them \$1.3 Million with only new construction.

Commissioner Hutchinson stated that she had done some work and wanted to share it with everyone. She stated that her presentation this evening concerned items which caused her to pause during her review of the budget in the last 7 days. She further stated that some of the boards she would be presenting were a few items which "took her breath away." In her estimation after many hours of review, she stated there was a budget deficit of \$4.3 Million and as much as \$11 Million, and she felt it was a "moving target."

Commissioner Hutchinson explained that documents which she had requested from staff affirmed the "moving target." She stated that in relation to the sanitation fund and the user fee, she had different budget numbers in two different documents. Over the past week, she stated she had requested various documents in an attempt to assist her in assessing the budget because she believed that was her job. She stressed that this deficit was moving and out of control. She stated she was concerned not just about the budget for 2003/2004, but where the City would be in 2004/2005. She stated that she would accept responsibility, along with everyone else, to take their share to fix the problem. She stated that the taxpayers relied on the City to spend its money properly, and should have the least financial burden placed upon them.

Commissioner Hutchinson stated she had some items she wanted to share with everyone and those items made her "stop and pause" in reviewing the budget. The first was the budget crisis and in reading through the City Manager's Executive Summary, he spoke about layoffs, elimination of mounted police, elimination of community swimming pools, and days off without pay which led her to ask "Why" and where was the money. She stated that the 2002/2003 tax base was 13.7% higher than the amount certified as a final amount for 2002. City revenues without increases in fees and taxes would increase over 10% in 2003/2004. She asked why the massive increases were being proposed. She stated that she wanted everyone to "follow the money."

Commissioner Hutchinson continued stating that carefully hidden in the budget was where the money was going. Regarding pensions, the City was moving in the direction where more was being paid to workers who were not working, than

to those who were working. The City paid the full cost for medical and dental coverage for the employee and their families for the highest paid employees, but did not pay the full cost for police, firefighters or FOPA employees. She stated that she had made up some boards showing this information. She remarked that regarding medical and dental coverage the City had a self-insured plan which was perpetually taking millions of dollars in order to remain solvent.

Commissioner Hutchinson stated that in regard to the administration budget, raise fees and tax the poor. Sanitation fees increased by 10%, water and sewer fees increased by 5%, and stormwater fees increased by 5%. She stated that in relation to the Stormwater Fund, the increase in fees was 5%, but the increase in the budget brought in \$354,330. In going through the documents, \$830,000 was transferred from the Stormwater Fund to the General Fund, and she asked why. She remarked there was no comprehensive Stormwater Master Plan, and asked how could residents be asked to pay more, if there was no way to show how it was going to be spent. She reiterated that the "shell game" caused mistrust and distrust among the taxpayers.

Commissioner Hutchinson stated that in regard to the Water and Sewer Fund, there were increases in fees at about 5%, and the budgeted increases and expenses totaled \$1.5 Million, but yet \$2.5 Million was transferred for health insurance costs for all City employees, as well as \$660,000 for pensions and another \$1 Million plus for health insurance.

Commissioner Hutchinson further stated that regarding the Sanitation Fund, there were 10% increases in fees and the budget increase of \$511,035, and \$4,000 of that went to pension costs, and the overtime totaled \$267,000. Once again, there was the "shell game."

Commissioner Hutchinson reiterated that the most ridiculous thing she had heard was in regard to days off without pay. She stated this was an unfair program. She explained that an employee who was paid \$12 per hour made \$100 a day, which left less than \$400 to pay for rent, car, groceries and other expenses for the week that he or she would give up in order to balance the budget. She proceeded to show a board listing the 100 highest paid employees. She stated she was not "picking on" the Assistant City Managers, but they were at the top and made \$739 per day, and had \$2956 for the week to pay for their expenses, plus the car allowance they received.

Commissioner Hutchinson stated that the Hall of Fame part-time salaries were budgeted for \$206,000, and they had only spent \$30,000 for the past year. She stated there was \$170,000 which could fund the Fort Lauderdale High School and Sunrise Middle School pools many times over. She reiterated that they did not need to close the pools.

Commissioner Hutchinson then discussed the management car and expense allowance. She stated that desk bound employees made up the bulk for those receiving car allowances, and were paid to 388 management employees. If the car allowances were reassessed, they would look at a savings of \$683,589.

Commissioner Hutchinson reiterated that recent decisions by the United States Supreme Court allowed the City to provide comp time in lieu of overtime pay. The 2002/2003 overtime estimates was \$9,746,000, of which over \$5 Million was for the police personnel, \$2 Million for fire-rescue and another \$3 Million for various departments. She felt it was ironic they continued to blame the police and fire-rescue for the overtime, but in reality there was \$3 Million going in overtime for regular employees. She stated that she did not mind "feet on the street" for police, fire-rescue and maintenance if they were doing their job in regard to overtime because those were 3 things the public looked for in their City.

Commissioner Hutchinson stated the current budget for overtime for maintenance was less than \$6 Million, but had been exceeded in the past years by as much as 40%. Next year using comp time where possible, perhaps the proposed overtime could be cut to \$2 Million with a savings of almost \$4 Million. To effect the overtime reduction, the administration had to require specific authorization for overtime and would have to report to the Commission monthly all overtime expenditures. She emphasized that in her opinion the only way to get a handle on this was to see a monthly report regarding the overtime.

Commissioner Hutchinson remarked that the City needed to have a unified health plan that would provide coverage for the City employee, and the opportunity to buy, through pre-tax dollars, insurance for the employee's family. She stated they needed one price for everyone, similarly to what was done for police and fire-rescue. She stated that type of coverage was made available by other governmental entities, including city, state, county and federal.

Commissioner Hutchinson stated that other changes to the current self-insured health plan must be made later in the year. She stated they needed to get out of the business of insurance, and allow someone who knew what they were doing to conduct such business. She reiterated that for the 100 highest paid employees, the savings that would be had by using a unitary plan where contributions were made by employees and eliminating family paid insurance, would be in excess of \$369,000.

Commissioner Hutchinson stated that she was aware that longevity pay was a "touchy" issue. She stated that this pay for administrators needed to be either reduced or eliminated in the 2003/2004 budget. The concept of longevity pay for administrators should be phased out completely. Through conversations she had held with individuals over the past week, longevity pay was paid to the poor workers and the higher paid administrators received what they called "merit raises" because that gave them the ability to assess the work being done. She

stated the top 100 highest paid employees received almost \$700,000 in longevity pay. She stated their hit for this was almost \$5 Million.

Commissioner Hutchinson further stated that this year pension costs increased 100% for police and fire-rescue, and administrative and general employees costs increased by 33%. She remarked this was an additional \$8 Million for 2004, and she believed the City's pension needed to be revisited. She reiterated that the City needed to implement a lower pension contribution for all non-high risk employees. She explained that high risk employees were the police and fire-rescue personnel.

Commissioner Hutchinson further stated that the contribution to the retirement fund for all non-high risk employees needed to be studied.

Commissioner Hutchinson recommended that the City jail be closed. She explained that the new Pompano facility could handle the current population. The City of Fort Lauderdale averaged less than 30 beds per night in a facility consisting of 112 beds. Booking would be continued by the Fort Lauderdale Police which would save about \$1.2 Million.

Commissioner Hutchinson also recommended that all new construction be delayed and immediate needs be studied. She felt each project should be analyzed before further funds were expended. She stated that some of the funds might be needed for the General Fund during the critical budget year.

In her opinion, after the Commission had made their suggestions, the City Manager should be instructed to put together a budget taking into account the Commission's input before a millage rate would be set that would be too high. She cautioned them not to set a millage rate tonight, but re-evaluate the situation and return next Tuesday. She also suggested that this Commission hire an auditor that would work directly for the Commission, and have an audit done and ready for the September meeting.

Harry Sweeney, Chairman of the Budget Advisory Board and a CPA, stated they received a summary of the budget less than one week before its presentation, and met this past Thursday. No recommendations were made, and the Board was going to meet again next Thursday for additional consideration. In his opinion, he believed the Commission should not adopt this budget due to the fact that spending within the City was "out of control." If the budget was adopted and things continued the way they had been, the fiscal crisis would continue. He believed they needed to "stop the bleeding," and revisit the budget.

Jack Lokensky, Vice-President FOP, stated that the City Manager's budget was underfunded by over \$2 Million and proposed cuts were made in regard to the public safety departments. Fort Lauderdale was ranked No. 1 in population of the cities in Broward County, but was No. 20 in regard to millage rates. Of the 14

largest cities in Florida, Fort Lauderdale was ranked No. 11. He asked that a cap be set on the millage rate at 5.5 mills and work with the City Manager to prepare a budget which would be fair to the citizens and employees. He stated that due to the present construction in the City, economic development should continue to grow for many years to come.

Tom Mangifesta, President FOP, stated that he wanted to voice his disappointment and objection to the 2003/2004 fiscal budget presented by the City Manager and his staff. He explained it was inadequate and a violation of Florida law. State law required a balanced budget to be presented to the Mayor and the Commissioners. The budget was underfunded by \$2.4 Million. He stated that the City Manager planned to make up the deficit by furloughing every City employee for 4 days in the next fiscal year which would have a direct impact on pensions. Once again, employees were paying for the mismanagement at the highest levels of City government whether it was mismanagement of the City's health insurance plan which caused a \$15 Million deficit, widespread discrimination by managerial employees, managers protecting managers, or employee furloughs.

Mr. Mangifesta stated he did not want residents to assume that the police were not working towards a viable solution, but the City Manager's proposal was absolutely ludicrous. He remarked that once again the unions would be blamed for the woes of the City. In 1991, the City Manager, Mr. Hanbury, also gave the same "doom and gloom" speech to the citizens and employees. He went to the FOP and requested that they give back the guaranteed 5% COLA in their contract to avoid 16 police layoffs. Mr. Hanbury stated that concessions by the FOP would go a long way in regard to future negotiations. The FOP voted and gave back that 5% guaranteed COLA and what happened in the next 2 years during negotiations was abominable. Two contracts had been imposed on them in 2 successive years, concessions were imposed on them.

Mr. Mangifesta stated further that tonight he wanted to plead to the Commission's common sense. He continued stating that the millage rate for 2002/2003 was 4.84 mills. A few months ago the Finance Department released figures for revenues collected if the millage rate was increase by ½ mill to 5.35. This increase would alleviate any employee furloughs or layoffs. He asked the Commission to insure the safety of the citizens and set a cap tonight at 5.50 mills. He believed this millage rate would give the City an opportunity to work towards an acceptable budget. He stated that all the blame should not be placed on the City Manager because Commissioners over the past few years needed to also shoulder some of the blame. He reiterated that the cost of doing business rose every year, and new money needed to be infused into the budget if they were to avoid another budget crisis.

Mr. Mangifesta stated that he wanted to address comments made by Commissioner Moore at the July 1, 2003 Commission Conference Meeting

wherein he had blamed the police and fire-rescue for the budget problems and stated they were overpaid. He stated they were not overpaid and deserve every dollar they earned. If Commissioner Moore had his way, hiring standards would be lowered letting in anyone off the streets. He asked when was the last time Commissioner Moore risked his life for the citizens of this City. He asked for an apology.

Ian Kemp, IAFF, asked the Commission to be reasonable when setting the millage rate. He realized it was a difficult decision, but believed that certain issues needed to be addressed, especially the expenditures regarding insurance. He felt a large portion of the problem today was due to that issue. He stated that he was familiar with the pension plans here and throughout the Nation. He stated it was no surprise that pension costs would be higher this year. They had negotiated a fair contract 3 years ago. Historically, the last 5 years were low when compared to other municipalities. He felt they needed to save for the bad times. He did not feel the police and fire-rescue should be blamed for the bad budget. He felt it was time to revisit this budget.

Lee McCoy stated that Commissioner Hutchinson's presentation was magnificent. She remarked the City was on a "slippery slope," and elderly individuals would not be able to continue living in this City. She objected to how the residents were being taxed. She suggested that a resolution be adopted to get rid of the City Manager because since he came in 1998 there had been ongoing problems. The budget was manipulated and employees were being intimidated and manipulated. She felt this was a hostile city. She suggested that the police talk to Ken Jennings and the areas northwest be structured so they could continue to patrol the area. She stated the dilapidated jail needed to be closed and the land sold. She felt they needed to talk about how to settle the lawsuits which were costing the City great amounts of money. Each discrimination case was lost by the City. She stated they needed to find a carrier that would insure them. She stated this was a rich and poor City, and there was little in-between.

Wayne Forbes stated that he had talked to many of his co-workers and they felt the Commission needed to revisit the budget because families were going to be hurt. He further stated that there should be no furloughs or layoffs. He hoped this could be worked out and reiterated that many individuals were thinking about leaving the City's employment which should not be the answer to these problems. He felt there was a lot of opportunity within the City, and they needed to keep the "family" happy and have the government like "Mayberry."

Donna Wolsky, employee, stated that when she had taken the entry level position in the Treasury Department, she had been encouraged to take it even though the salary was \$3,000 to \$5,000 less than what competitive cities were offering for the position. She stated they were the lowest paid initial entry level people in the City. At the start of her job, her insurance had been paid for and it

was a better program, but now with the changes being proposed she could not afford to register for that program because it would cost her about \$207.80 per month. She remarked that was about a 10% decrease in her gross salary. She stated with the present increases in property values at the rate of 13% per year, no one of average salary could afford to purchase property in the City, but yet salaries continued to be cut. She stated if the City wanted good, solid, and faithful workers that would provide good service, the Commission should reconsider the budget and review the sacrifices employees were making. Adjustments should only be made that would be fair to all employees.

Linda Wilson, employee, stated she did not live in the City where residents had been fortunate for a number of years not to have experienced any tax increases. She stated that the City she lived in experienced 8% to 9% tax increases per year in order to keep up with the rising costs of services. She stated they could not expect to raise taxes if they continued to provide high level of service. She further stated that as a management employee many of the management employees worked far more than 55 hours per week and did not receive comp time. She stated she was proud to work with this City and had chosen to come here in 1988 because it had such a good reputation. She stated there had been past serious challenges and layoffs, and the City pulled through. She felt they needed to pull together as a team and they would survive this situation. She reiterated they were not unique and many cities in South Florida were experiencing the same problems. She stated this budget might not be the best, but the residents should not expect continued good service or to be able to provide for its employees without a tax increase.

John Andrews, Coral Ridge, stated that they had heard comments tonight from employees and management, and now he felt it was time to hear from the public. He stated he was an advocate swimmer and used the Hall of Fame pool and the Fort Lauderdale High School pool. He stated that he wanted to address the proposed closure of the high school swimming pool. He agreed with the comment made by Commissioner Hutchinson which was that taxpayers should feel the least burden. He remarked that the closure would affect a large number of individuals who used the pool, and he proceeded to submit a petition with 100 signatures against the closure of the pools. He stated that pools in the northwest and southwest quadrants of the City had not been chosen for closure.

David Stout stated that the signatures on the petition which was submitted were from swimmers and users of the pools that were being considered for closure. He stated that he used the pool to help maintain his health and quality of life. He reiterated that the costs for maintaining these pools were minimal and reminded everyone that the School Board was to maintain them.

Clare Vickery, AICP Certified Planner, stated that she worked with cities and helped to plan their cities and also taught graduate school at FAU. She stated that she had sent various e-mails to the City Manager regarding things she had

witnessed personally in the City. She explained that she had a different approach to planning and financial incentives for development, and she reiterated that there were savings that could be had that she was aware of that would total about \$6 Million to \$8 Million through relationships that could be fostered with the County. She stated things could be worked out with the County,

Ms. Vickery stated that she had watched unnecessary financial issues that went on that needed to stop because they were too costly. She stated that she had requested a meeting with the City Manager and Assistant City Managers to explain why some of the funding subsidies of certain projects should stop. She stated these things also led to bad development, and hoped that the City staff would meet with her to help resolve some of the problems. She stated that she did not want to be taxed more on her investments and did not want to accept that as a remedy since she knew there were other solutions to the problem.

Guy Von Wiegand, Shady Banks, stated he was being taxed out of his home. He felt things had to come to a stop, and the City needed some good long-term fiscal sound policies.

Joe Major, Broward County Civic Coalition, stated that he was disturbed with some things which were presently taking place that had no justification. He felt they needed to revisit the impacts that would be had on the black communities. He reiterated that the black community was disappearing out of District III. He felt the CRA was taking away from the black community, and he felt the other Commissioners were not holding the black district representative accountable for making sure things were done right, and that the public be included in the decision making process for that district. He stated that many times his calls were avoided by the Commissioners because they did not want to deal with the black community. He reiterated that having a black City Manager was beneficial, but if he was not doing his job, then they should get rid of him. He stated they needed to do what was right and quit hiding behind political bureaucracy. He emphasized that Commissioner Moore had been elected to "mind the store," and not be a "political terrorist." He restated that what was going on in the black community was utterly ridiculous. He stated that if taxes were raised, a lot of black individuals would lose their homes, especially the elderly. He further stated that the Sweeting Estates Development was supposed to be for the black community and now anyone who could afford it was moving in. He stated that Regal Trace had the same problem. Mr. Major stated that a thorough investigation was needed as to what took place regarding the budget before the Commission could endorse it.

Joseph Hessmann, member of the Marine Advisory Board, stated that the marine industry had first rented docks in 1928 and they had made money ever since. He stated they had been in the black for 74 years. He stated the industry had given the City \$800,000 net for the General Fund from the year 2002. He reiterated that the marine industry was leaving the City and was going elsewhere. He stated

they needed to figure out how to bring everyone back to the City and remain the "Venice of America." He stated many of the problems had to do with taxes. He further stated it was his understanding that the City was considering removing the marine industry booth from the Boat Show, and felt that was the most ridiculous thing they could do. He felt if the City could give someone \$300 Million to build a parking garage on a City lot, he did not see why this booth could not continue. He stated the City needed to spend more money in connection with the marine facilities so additional funds could be brought in.

Pat Mayers, Victoria Park resident, stated that she wanted to thank Commissioner Hutchinson for her presentation, and hoped that the Commission would not accept this budget tonight. She felt many issues needed to be revisited. She believed that fines in code enforcement should be reviewed and commented that many fines had recently been waived, and possibly that should not have been done. She stated that the police, fire-rescue and citizens should not be penalized.

Annie Davis, Hillmont Heights resident, stated that they needed to follow the money. She urged the Commission to not adopt the proposed budget, and felt there was a lot of waste in the City. She remarked that none of it fell within her community, and she was very disappointed in that fact. She stated this was a rich City and everyone could have a piece of the pie. She suggested that management consider reducing their expenses and salaries so cuts could start at the top. She stated that she had been discriminated against by the City many years ago, and if she had the chance today she would sue them also.

Ms. Davis stated that she was also concerned about the monies given to the City by the Federal Government, and how those funds were being spent. She stated that she would like to see the records showing the spending of different departments at the City. She also stated that she was very concerned about community redevelopment and asked where all the monies were being spent. She stated she was angry, disappointed and disillusioned. She felt this was a beautiful City which could be better. She asked the Commissioners not to forget the northwest section of the City.

Kwame Afoh stated that his comments covered both budget and social issues. He felt the key issue was mismanagement. He stated that the City had spent millions of dollars in settling various discrimination lawsuits, and now the City had tremendous liability insurance premiums. He reiterated that the Sistrunk Corridor had been sold to white businessmen. He stated that when they saw Jeb Bush in the neighborhood chewing on a rib sandwich, they should have known "something was up." He stated that he had talked about the Front Porch, but now the front porch, back porch and the entire house had been taken away from his people in that area. He stated that with the construction of all the large condominiums on the beach, it showed this was a City "gone mad" in its direction. He stated this was predictable and research showed that the City

Manager prior to coming here had been with a smaller city in California, and had left it in almost bankrupt condition. He further stated that through research it appeared that the managers in this City received salaries that were way out of line, when comparing them to other cities of the same size. He reiterated that the City could not pay their bills, and they wanted the residents and workers to pay for the City's mismanagement. He stated they realized that many of the problems they were now facing pre-dated the reign of the City Manager. He added that many times Commissioner Moore had stated that this City was guilty of racism, but that was one of the many problems they faced. He remarked that since Mr. Johnson had come to this City, there had been progress in the area of City development and modernization, but the real deal was that things were socially worse since he arrived. It did not appear that he had the will or the heart to tackle the problems head on. He urged the Commission to represent the City and the employees and do what was necessary, but they did not want to see the hard working employees bear the brunt of mismanagement, unless the top level managers did likewise.

Commissioner Moore left the meeting at approximately 7:52 p.m. and returned at 7:55 p.m.

Darlene Pfeiffer, employee, stated that she felt it was risky to stand and talk tonight, but felt that she needed to say some things which had not yet been said. She further stated that to hear that their pay was the easiest thing and least painful was something difficult to listen to. She stated that as a management employee she worked a minimum of about 50 hours per week, and did not receive overtime. She stated she understood it was hard to raise taxes, but the residents had received rollbacks for the last few years. What was being proposed tonight might cost the average homeowner about \$122, but the action taken here tonight had already cost her \$2,000 for this year in connection with the insurance program. Adding in a week's pay of furlough and loss of expense checks, the burden on management employees was that it would cost them about \$3,000, but yet they were reluctant to ask the homeowners to pay \$122 a year.

P.J. Espinal, SMRCA, stated that everyone wanted more police protection and she did not feel that anyone in the City would complain about adding slightly more to their budget to pay for what they had been requesting. She stated that the police had been the No. 1 most responsive group to South Middle River and she was able to see what they did for the community. She stated that whatever they needed, they should get because the community needed them.

Andy Bulliano, Public Services employee, stated that everyone needed to share the burden and this problem was not the fault of one individual. He agreed the police and fire-rescue offered the best services, but the general employees also did their best on a daily basis and were on the bottom rung of the pay scale. He stated they needed to subsist from day-to-day and could not afford pay reductions or furloughs. He stated if these reductions came to pass, he and many

other employees might have to look elsewhere for employment. He stated that there were companies who paid better, and therefore, everyone needed to share the responsibility of this problem.

Commissioner Trantalis left the meeting at approximately 7:57 p.m.

Judith Hunt commended Commissioner Hutchinson on her presentation and felt it was outstanding. She remarked that their area had been recently annexed into the City, and in looking at the documentation that was available, they also asked why the highest paid employees received the largest portion of benefits. She stated paying for the entire employee's family health care was a "big ticket." She also remarked that what was also appalling was the longevity payment, and in most places she had worked top level administrators were held accountable for their work and that was the area where raises occurred. She felt that "feet on the street" should be continued and felt discontinuing the mounted police was silly and children bonded with police due to the horses. She also stated that the pools should remain open. She also stated that to be able to take the water and sewer fees and load them up with benefit costs that went off the richter scale was reprehensible. She stated the City "screwed up," and things happened, but it was an issue that needed revisiting.

Commissioner Trantalis returned to the meeting at approximately 8:00 p.m.

Sam Warren, FOPA President, stated that he wanted to thank Commissioner Hutchinson for her excellent presentation. He also stated that one of the major problems within this City was mismanagement. He felt someone should have gone to the Union stating there was a major problem with the health care, but no one came and 8 months later they were being hit with a "lead ball." He stated they did everything they could to help the employees and to prove that the health plan had not been run properly. A proposal had been made regarding health care, but it had been turned down and the proposal would be resubmitted tomorrow in negotiations. He stated that the Budget Department had provided the Budget Advisory Board and the Commission with a review of the proposed budget last April, and 4 months later we were hit with the problems. No one called the unions asking for help or suggestions. He reiterated that 99% of the battle was communication, and the City Manager and staff needed to communicate with the Unions so they would know what was happening and maybe help.

Mr. Warren continued stating that everything fell back to mismanagement. He stated that the shortfall in the budget was suggested be made up through employees' furloughs, and once again the employees have to suffer. They would be paying double the rates for health care, 4 days off in the year with no pay, and a possible increase in taxes. He reiterated that something had to be done. This City was a storm warning away from financial ruins, and things did not look good. He stated that he had heard a rumor that the City was considering doing away

with one of the City's pipe gangs, who were employees installing the new water mains. He remarked that the employees were competing against private contractors on a daily basis, but yet were saving the City large amounts of money. He felt they should not do away with them, but possibly create another one.

Dave Marshall, resident of Riverside Park, stated that he was concerned about the overall health of the City. He stated that it had been pointed out earlier this evening that the City's millage rate was fairly low, but there was another way to look at the taxes which was on a per capita basis. He stated further that he had done some calculations using City and County figures, and the City ranked 7th in per capita taxes in reviewing the operating millage times the property value. He felt there were things this City needed to do, and requested that communication be conducted so the citizens could understand the situation better.

Commissioner Moore stated that Commissioner Hutchinson's presentation was well put and had involved a great deal of research, and commended her for it. He stated there were issues that he also wanted to raise. He stated that Commissioner Hutchinson had remarked how certain employees were essential, but he felt no employee was more essential than another. He stated that when requests were made of the City, they as policymakers had to find a way to make things happen within reason for the individuals paying the taxes. He remarked that the Budget Advisory Board met every month in an attempt to deal with budgetary comments, and had several looks at issues of concern for the budget.

Commissioner Moore stated he was concerned about the State's projections for the revenue which were sent to the cities, but from the research brief of the American Cities it stated as follows:

"American City Officials Face Tough Choices as Physical Conditions Decline in Cities Across the Nation. The outlook was that the situation would worsen in the near future as choices are made about how to weather the current fiscal crisis through cuts and services, tax and fee increasing or deferring costs to later years, the recovery of the economy is threatened. As city officials wrestle with these choices they are unlikely to see any additional support from their state and Federal partners. Instead they would most likely be forced to get by with less than they did in previous years. In 2003, State governments face budget shortfalls of \$29 Billion headed into 2004. State shortfalls would rise to \$78 Billion and State officials comfort their own set choices as they struggle to balance their budgets by July, 2004."

Commissioner Moore stated that hearings would be held in September in an effort to offer a budget that needed to remedy the present situation. He further asked the City Clerk to provide copies of the briefing he had just read from so individuals could see that many of the things which impacted this budget were not self-inflicted. He emphasized that Homeland Security caused extra expenses.

Commissioner Moore stated it was clear to him that an individual could have an insured plan covered by an insurance company that did not give opportunity to benefit when profits were available, but the self-insured plan offered such benefits. He explained that when an insurance company offered one a premium, it also offered fixed-related benefits. When the employees utilized the insurance that was set up with the self-funded plan, it had been one of the richest programs. He reiterated that they had talked to the bargaining units and management and explained that a change was necessary. Benefits would have to be reduced in order to meet costs, and it would have to be done swiftly. He stated that the bargaining units had used every opportunity to slow down those efforts. He agreed that should have been done, if one was concerned about its impacts. He stated they had used their rights, but it slowed the Commission down in taking action to make the necessary corrections to the plan.

Commissioner Moore stated it was humorous to hear comments about how "white folk" were purchasing property in the northwest section and removing the black population from the community. He stated he wanted to make several facts known. The properties in the CRA area of the northwest quadrant of the City had done nothing but appreciate, and the majority of the projects done in the community were done by individuals who "looked like him." He stated the benefactors of the housing were also individuals who "looked like him." But before one began speaking about color, one of the things privileged in America was a person's right to purchase land wherever they wanted. If individuals finally began seeing the opportunity of purchasing land in the northwest section and happened not to be black, that was fine with him because he wouldn't want anyone excluding him from where he could purchase property. He stated of the 12 homes mentioned in one of the newer projects, 11 individuals who were pre-qualified purchased those homes and were of African descent.

Commissioner Moore stated further that the City Manager has an opinion and was making recommendations to the Commission. He reiterated that he would rather see individuals have employment, than guaranteed increases in those jobs. He added that the jail needed to be closed and it cost money to run. Also, the City was losing money annually in the operation of the Stadium, but his pleas regarding closure went unheard. In looking at what should be continued and what should not be discontinued, some individuals felt that the mounted police should not be discontinued, and the Sheriff's Department should take over some of the communities.

Commissioner Moore further stated he wanted to address the comment regarding the City's contribution of \$3 Million for the parking lot on Las Olas. He added that it was revenue generating and did impact various residents, but it was an opinion as to how one wanted to see their tax dollars being spent.

Commissioner Moore stated that one of the concepts which he admired in the City Manager's report was the concept of attempting not to have any layoffs. He stated the City was a business, and they needed to see how the "ship was going to flow."

Commissioner Moore stated further that he was concerned about the garbage and water fee increase and felt the amount was alarming, and was not sold on those issues. In regard to code enforcement fines, he stated that he was frustrated constantly by the fact that slum landlords had their fines waived or reduced. Even if they were to assess 100% of the fines, there was no guarantee that the City would receive the money. Foreclosure was not a guarantee either.

Commissioner Moore stated there were some items he would like the Commission to consider, and those were that they deal with the unions and negotiate with better communication. He reiterated there had to be some methodology of everyone understanding that they wanted employees to continue working, but it might be required that some renegotiation of "good times" take place.

Lastly, Commissioner Moore stated that cuts that he would like to have considered would be costs for take-home costs by employees, especially police who did not live in the City. He asked for the City's Finance Director to do an assessment of such cars and supply information as to how many miles were being put on those cars, and the allocation of fuel used. He reiterated this would include any employee that had a City vehicle. Another item he was concerned about were that there were possibly too many radios, cell phones, and forms of communication issued to employees. He asked for an assessment to be made as to who had those types of equipment and what were the costs for the City. He asked for the City Manager to also justify who had such equipment and why. He stated that he had spoken to the Police Chief and had been informed that he was using a type of telephone that also had radio and cellular frequencies. Commissioner Moore stated that possibly that type of service would be more efficient and cost saving and wanted staff to explore the possible use of such equipment.

Commissioner Moore stated that when the School Board announced there would be no summer school, the City's Parks and Recreation Department stepped up to the plate for the children. He advised that such services impacted the City's budget. He reiterated that management would also participate in the balancing of the budget. He also stated that they were plagued with the problem of trying to find a way of keeping other bargaining units of management from forming, and that was one of the reasons the City offered what they did to management. He stated it was necessary now to change that formula. He also stated that longevity was also a concern, and they needed to find a method to keep everything afloat.

Lastly, Commissioner Moore reiterated that when a decision was made as to what the millage rate should be, they would be considering the employee, the resident, and the balancing of the budget.

Commissioner Moore emphasized that the Hall of Fame was not paying the assessment that was due because of agreements which were in place, and evidently relationships needed to be broken. He reiterated that this was one which he wanted to end because it was too cost prohibitive.

Mayor Naugle stated that the notion that the City had not raised property taxes over the past so many years was false, and remarked that they had consistently raised taxes. Since 1996 they had increased salaries from 22% to 33%, and property taxes had increased 61%. The biggest share of the burden for the increased cost of government had fallen on the property owners. He remarked they had been increasing property taxes in the City about 3 times the rate of inflation. He stated that in some years they had attempted to hold individuals owning homesteaded property at a level so their taxes would not be increased. He explained the assessment could go up 2 ½% a year. He reiterated that the large increases on properties were passed on to tenants. He reiterated once again that he wanted to end the myth that property taxes had not been increased because the facts spoke for themselves.

Mayor Naugle remarked that the millage rate was a meaningless number and was based on the assessed value of property. On a per capita basis, Fort Lauderdale was the highest taxed city in Florida. He stated that he did not support the 14% increase for taxes that was being proposed this evening and could not support the proposed millage rate. He stated he was in support of whatever reductions that could be made. He remarked that later he was going to make some suggestions regarding such reductions. He felt the millage rate could be adopted at another meeting once the City Manager had time to digest the input he was receiving at tonight's meeting.

Commissioner Hutchinson stated that she agreed with the Mayor, and felt they needed to "take a breath," and have the City Manager research recommendations which were made to see what type of cost saving measures could be adopted before they arbitrarily set a millage rate. She stated that she also wanted to make a motion later on regarding an audit that would report directly to the Commission so they could be more informed. She felt it was vital to know where the monies were going.

Motion made by Commissioner Hutchinson and seconded by Commissioner Moore that they return on July 29, 2003, at 6:00 p.m. and set an appropriate millage rate for the City.

Commissioner Trantalis stated that the comments made tonight were important and were crucial to helping them make a final decision. He stated they did not

need to balance the budget on the backs of the police, fire-rescue and City employees. He felt if they could not protect their people, they would be failing in their job. He remarked that with high salaries, they were able to attract the best individuals for the positions, and did not feel anyone wanted less for the City. He remarked that one year ago, this was a frightened Nation and everyone's best efforts were being put forth to insure that there were the best protective services within the City.

Commissioner Trantalis continued stating that the recommendations made by the City Manager were offensive. Closing pools at a time when they were attempting to keep children off the streets was not a good consideration. More activities should be organized for them to reduce delinquency.

Commissioner Trantalis stated more code enforcement people should be hired, not elimination of them. He remarked that this City was on the verge of re-establishing itself. He felt the liens and fines would set the tone for the City and send out the message that they would not tolerate dilapidation or horrible living conditions.

Commissioner Trantalis stated this City was pretty and they needed to keep it so. He also remarked that the shortage in the budget was about 2% of the total budget, and if he personally was ever off only 2% in regard to his finances, he would be thrilled. He stated everyone needed to work together to solve this problem. He felt the important thing everyone should share this evening was the vision that they would continue making this City great. He remarked they were committed to building the City and its neighborhoods through beach and community redevelopment. He stated if they had to raise taxes was that so out of the question. He felt it would not be in the City's best interest for him to exclude any option that would make everyone's life better. He stated their first obligation was to "dig in" the budget and find the opportunities that would eliminate waste and unnecessary services, and encourage opportunities for savings. Beyond that if they were still short, everyone had to open their minds and understand that a small tax increase might be necessary. He stated he would be the last person to vote for an increase, but would be the first to vote for a better City. He hoped everyone would share in this vision.

Commissioner Teel stated since she was one of the "new kids on the block," it was an experience to sit here and be faced with such a dilemma. She remarked it was no surprise and everyone had seen all costs rising. She believed this City was wonderful and for the last 10 years she had worked with many neighborhoods and found all City employees to be superb. She stated that she did not want anyone to lose their job or take a furlough they could not afford. She felt that all employees who kept the City running well should sit down and help them since this was a difficult situation. She stated this situation was forthcoming. One of the things she looked at was the deficit and it was rising. She felt Commissioner Hutchinson's presentation was excellent, and it gave the

City Manager an opportunity to possibly think of other ways to address this situation. She felt it would give all City employees, along with the Commission, an opportunity to think of alternatives. She stated she had little faith in the proposed budget. She remarked that departments had spent money that had not been budgeted, and some of it was explainable. She stated that overtime was not always a choice, and possibly staffing numbers needed to be revisited.

Commissioner Teel continued stating that she did not think the answer was in raising taxes. She stated she would pay more if necessary, but the amount had to be reasonable and justifiable. She reiterated that she would not support the millage rate being proposed, and felt they needed more time so the City Manager could revisit the issues. She remarked that a letter had been received from a citizen who suggested complete privatization which was an interesting concept, but in looking at the privatization that already existed in the City and in comparing those with salaries for City employees, money had been saved. She felt they could operate smarter and more efficiently. She also remarked that the advisory boards could also be used for better purposes. She felt the neighborhood services had done a great job developing the spirit of the City, and those were things that needed to be continued.

Commissioner Teel stated that there was nothing worse than not have the medians maintained. It gave the wrong impression of a City, and that was the last thing that should be eliminated. She further stated that for many years she had purchased a lot of hay and feed for her daughter's horse. She confirmed that the horses would not be sent to the "glue factory," and would be taken care of.

Commissioner Teel stated that the Commission should obtain all fines possible because it made a mockery out of the system to constantly reduce the fines. She stated the slum landlords were aware that the fines would be waived or reduced and they just did not care.

Commissioner Teel stated that the City Manager had stated that special events held in the City might have to be eliminated. She stated further that the Air and Sea Show was a spectacular event and had found out that it cost the taxpayers over \$500,000 for that show. She felt these types of issues had to be reviewed. Commissioner Teel stated that a good portion of the money had been spent for overtime for police and fire-rescue personnel, but in these "tough budget" times such events had to be explored. She also stated that during that event the Galleria also lost a lot of money.

Commissioner Teel stated she was happy to be here and was not afraid of a challenge or a battle, and felt there were a lot of allies. She stated that she was in support of recessing for another week to give the City Manager an opportunity to digest tonight's recommendations and comments. She felt if they agreed to what was being presented this evening, the City would be in worse shape in another year, and that could not happen.

Mayor Naugle checked with the Commission as to when they would be available to meet.

Commissioner Moore seconded Commissioner Hutchinson's motion which stated that they meet one week from this evening.

Commissioner Trantalis stated he was not sure that enough direction had been given to the City Manager tonight. He stated the City Manager would probably return in another week stating the same recommendations that were made this evening, and he was not sure if postponing for one more week would gain anything in the process other than procrastination. He felt this might be an unnecessary delay and possibly they should continue to further discuss the issue tonight.

Mayor Naugle agreed and stated that enough direction had not been given to the City Manager, and mixed signals possibly had been sent out from the Commission.

The City Manager stated he had asked his assistants whether one week would be sufficient to digest all the information given this evening. He felt it was not just adding numbers and seeing what the impacts would be, and that parameters had to be set as to what was to be accomplished. He stated as to whether they should employ a matrix system or not could be answered in terms of what the ramifications would be. He stated the decisions would not get easier, and he felt they would not necessarily reach a point where unanimity would be reached, but given the priorities of the Commission that they did not want a reduction in services, increase in taxes to no increase in taxes was heard, he needed some further clarification. He stated he needed to supply more information to the Commission as to why increases were being considered. He felt the increases would not be out of line in order to meet the City's needs.

The City Manager stated that it has always been a balancing act of not just dollars and cents, and he needed everyone to understand that it was also a balancing of interests, and short-term vs. long terms needs. He stated those answers should be provided to the Commission. He stated that a series of memos would be sent to the Commission starting tomorrow in an attempt to address some of the specific concerns they had.

Mayor Naugle remarked that he did not want just a bunch of memos saying the ideas recommended by the Commission this evening could not be done for various reasons. He felt a lot of things could be done, and believed the biggest problem with the budget being presented this year was the fact that last year's budget had not been followed. He stated that he was concerned that checks had been written when no funds were available, and in the future the Commission needed to have some sort of management committee comprised of the

Commission to review expenditures on a monthly basis. He stated that they had set policy for last year's budget, but it had not been followed. He further stated that the "Captain of the Ship" did not know that it was headed in the wrong direction until February, and he felt that was inexcusable. He remarked that was not going to happen again next year, and that they were going to have over and under reports on the 10th or 15th day of the month which would be reviewed by the Commission, and all budget amendments would have to be approved in the future.

Mayor Naugle further stated that the Commission should chip in and give back whatever the employees were asked to give, but he was going to return a greater amount. He suggested that the furloughs not be done on a City-wide basis, and figures were provided by the Assistant City Manager that the average City employee's compensation was \$71,000 per year. He suggested that the employees making over \$71,000 be asked to take the furloughs.

Mayor Naugle stated that he felt they should consider the recommendation made in the Latimer report that the City Manager become more familiar with the operations of the City and eliminate another Assistant City Manager's position. The report had mentioned that the City Manager was too distant from the department heads, and recommended there only be one Assistant City Manager. Mayor Naugle further stated that the County had criticized the City having two CRA Directors, and possibly they could be combined. He stated that a matrix was one way to do this because it was public and something the residents could understand, and a workshop meeting could be held. He explained that a matrix was where there were all different ideas and the Commissioners would check off what they would consider but not necessarily be committed to, and then the public could view it. He stated he was less comfortable with the City Manager having private conversations with the Commissioners, and communications be held without the public. He remarked that sometimes staff gave information to the Commissioners and decisions were based on one-on-one conversations, and when the information was reviewed things had been painted one way, and the truth was somewhere in-between. He further stated that the method of how to get there should be discussed now, and he proceeded to ask the Commissioners' preference.

Commissioner Hutchinson stated that she felt some of the things she had mentioned this evening should be explored. She suggested that possibly a single contribution be done as was done for police and fire-rescue, and have everyone on the same playing field. She also stated that a cafeteria plan could be offered for insurance because other people were making money on it. She suggested that possibly they not be self-insured and to look at other carriers. She also suggested that car allowances could be discontinued. She felt the budget should not be balanced by making individuals take off and did not think it was good business. She felt that other alternatives existed. She further stated that she

wanted the City Manager to have the opportunity of sitting down and getting the Commissioners' recommendations, and then it could be workshopped.

Commissioner Trantalis stated that he agreed with Commissioner Hutchinson's suggestions, but he was not sure what ultimate benefit would be gotten out of this. He felt that the City Manager needed to go back and process what he had heard this evening, and was not sure if they could work productively in a workshop setting. He remarked that since he was fairly new on the Board, he was not sure what had been done in the past when an "impasse" had been reached. Possibly, they were just procrastinating and leading themselves down a path that could prove to be futile, when in fact, they needed to have the City Manager come up with answers as he learned of the Commission's policy directives.

The City Manager stated that this was not the first time this City was in such a position. The remedies employed in the past dealt with providing the Commission with a graduated scale of how much of an increase was warranted, and what the impact would be similar to the "Chinese Menu." Other times the Commission had offered suggestions regarding "cutbacks." He felt Commissioner Hutchinson's suggestions that each Commissioner give a laundry list of their concerns which could then be displayed on a matrix, and he could then supply the ups and downs and how they looked at each against to what the Commission wanted to apply, and then give him further direction as to which were acceptable. He felt this could be worked out in a public session so everyone could understand the ramifications.

The City Manager stated that he had explored various recommendations with his staff, and some of those recommendations had fell on deaf ears in the past. He felt they had captured the Commission's suggestions this evening

Commissioner Moore stated he did not like the idea of a matrix because it would have the majority of the Commission removing items which he would not be in support of. He felt budgets were done based on needs. He reiterated that "mixed messages" were being given. He further stated that he had agreed with Commissioner Teel regarding her comments in relation to the Air & Sea Show. He remarked that the cost was justified by the International attention the City received, but was it something they could possibly partner with another city on and cut the cost. He believed a matrix was not the way to go. He suggested they adopt the proposed millage rate this evening and then have the City Manager return in one week as to how it could be shifted.

Commissioner Moore stated if they were going to recommend an insured plan, that when it was reviewed it be matched "apples to apples." He reiterated the issues regarding cell phones and take-home car costs. He further stated that they needed to rethink the longevity pay because it was not something they could control.

Commissioner Trantalis offered an amendment that the meeting be held Monday evening in order to accommodate the Mayor. He did not think that the City Manager had put forth any objection to have one day less and would not interfere with his ability to gather the information.

Commissioner Moore stated he would not accept the amendment and preferred the motion made be voted upon. Mayor Naugle remarked that he would attend the meeting.

Roll call showed: YEAS: Commissioners Teel, Trantalis, Moore, Hutchinson, and Mayor Naugle. NAYS: None.

There being no further business to come before the Commission, the meeting was recessed at 9:33 p.m. until July 29, 2003 at 6:00 p.m.

JIM NAUGLE
MAYOR

ATTEST:

LUCY KISELA
CITY CLERK