

CITY COMMISSION WORK SESSION MINUTES
August 18, 2008

The meeting of the Winter Park City Commission was called to order by Mayor David Strong at 3:30 p.m. in the Commission Chambers, 401 Park Avenue South, Winter Park, Florida.

Members present:

Mayor David Strong
Commissioner Margie Bridges
Commissioner Phil Anderson
Commissioner Beth Dillaha
Commissioner Karen Diebel

Also present:

City Manager Randy Knight
City Attorney Trippe Cheek
City Clerk Cynthia Bonham

City Manager Knight spoke about Tropical Storm Fay heading to our area. He asked the Commission if they agreed to close City Hall for the entire day on Tuesday, August 19. There was a consensus to close City Hall to non-essential personnel.

Budget discussion

City Manager Knight addressed the list of additional budget reduction opportunities totaling over \$2 million from the General Fund that he sent the Commission on Wednesday; many of the items carry forward into other funds which were also attached. Mr. Knight discussed each item individually and provided the Commission with a 10 year pro forma which showed both a 4.0923 millage rate and a 3.995 millage rate.

The items discussed were as follows: 1) Eliminate budgeted potential merit increase for the City Manager (not approved); 2) Modification of health insurance benefits to Plan 6 (approved); and 3) Elimination of FY09 1.15% Cost of Living Adjustment (COLA). Mayor Strong did not want to eliminate the COLA because of employee's pay being reduced by the cost of health insurance. Commissioners Dillaha and Bridges wanted the COLA eliminated and have raises based solely on merit. Commissioner Dillaha expressed that the COLA could come back in another year if things are better. Mayor Strong stated he has other belt tightening ideas to compensate for some of this. Commissioner Anderson expressed interest in eliminating the COLA but had concerns with the health insurance costs rising for the employee and other general inflationary issues out there such as gas and food. Mr. Knight stated he would like the flexibility to go higher than 3.6% but would not spend more than 3.6% overall. There was a consensus that the COLA be eliminated and that the merit be a maximum of 3.6% for this year based on performance. Commissioner Diebel stated she is comfortable with allowing the City Manager the flexibility to go above the 3.6% because it gives the latitude to bring people up to market if necessary or some things that are discretionary. Mayor Strong and Commissioner Anderson agreed.

Other discussion included: 4) An incentive to get employees to decline our health insurance benefit when they have other coverage options (12 employees interested – approved); 5) Decrease subsidy for family health coverage for anyone hired after 10/1/08 (approved); 6) Increase employee contribution for family health coverage for anyone hired before 10/1/08 by 5% per year beginning 10/1/09 (approved); 7) Early retirement incentives (19 interested - approved); 8) Cap the longevity at 2% (City Manager stated he would rather not include this on the list and did not like it because it punishes the long term employees. Mayor Strong's

preference was not to include it on the list and to possibly include other items on the list that have not been discussed yet (not approved); 9) Eliminate Christmas gift cards for employees (not approved);

10) Elimination of four Staff Assistant II positions in Parks & Recreation Department (approved). City Manager explained there are employees holding these positions and that this would require consolidation of rental arrangements at Azalea Lane and Farmers' Market and would require telephone calls to be dispersed to other areas. He explained that those two facilities would not be staffed during the day. Parks Director Holland explained the duties of the current employees and explained this will be a major impact. There was a consensus to eliminate the positions and if it is determined that we have challenges, problems or service level concerns that are impacted they can consider adding the position(s) back; 11) Eliminate Public Works Inspector (consensus to eliminate and when the construction boom exists again, they can rehire for that position); 12) Participation in State Hydrilla Control Program (approved); 13) Increase transfer from Water Fund from 13.3% to 15%; (approved);

14) Eliminate fee waivers for use of facilities (not approved). Discussion ensued regarding the Parks Board policy, impacts to small non-profit organizations, if a budget should be in place for fee waivers and having the Parks Board determine who gets the waiver, the current rates and if they are appropriate for the market, fee reviews every April and October, and concerns that some facilities break even and do not make a profit and that these should be reviewed for possible improvement. There was a consensus for the Parks Board to make such decisions and not to eliminate all fee waivers; 15) Hold the Board appreciation dinner once every three years (approved); 16) Privatization of street sweeping to include elimination of three positions (approved-consensus to privatize and to hold onto the street sweepers for six months to determine if they are needed); 17) Eliminate coffee service (not approved); 18) Defer vehicle replacements (approved); 19) Reduce street paving to 7 miles per year including the reduction of one position (approved-each Commissioner will provide the Public Works Director their list of streets they believe need paving and to let the Public Works Director make the decision as to which roads are a higher priority). Mayor Strong stated they need to revisit the paving schedule and proposed reducing the street paving list more; 20) Decrease the concrete budget (approved); and 21) Change annual allocation to stormwater capital projects from \$822k to 722k in FY09, \$750k in FY10 and \$800k in FY11 (approved).

Other discussion ensued. Mayor Strong questioned the need for the Federal lobbyist. Building Director Wiggins stated we did not see any funding this year or last but there are always projects in the works such as the Community Center and Public Works projects. City Manager Knight addressed the difficulty of getting any funding at this time which could change with the upcoming Presidential election. He stated there were no projects that are promising for this fiscal year ending in September and that there is a 30 day provision for ending the contract which needs to be decided by August to end the contract by the end of September. There was a consensus to eliminate the Federal lobbyist from the budget for the upcoming fiscal year.

Commissioner Dillaha addressed the hazardous waste facility and wanted to explore other possibilities in lieu of totally eliminating the service. Commissioner Diebel disagreed with continuing the service since we are already paying Orange County for this service. Commissioners Dillaha and Bridges asked that other alternatives and efficiencies be explored and see what can be done. Fire Chief White explained what constitutes hazardous materials. He stated he spoke with Orange County about possibly coming into Winter Park and to operate

it quarterly as a satellite location for what they currently operate but was not sure about the cost at this time. He stated this is a constant problem for the Fire Department with residents bringing materials to there, a lot is not hazardous but the department has to dispose of it. City Manager Knight explained it was less of a budget savings and more with the issues with training to stay on top of this to staff the facility and the liability. It was agreed that there is more time to look into this.

Mayor Strong spoke about \$500,000 for special events. Parks Director Holland explained what makes up the Special Events Division that is mostly made up of personnel. Mayor Strong asked for a breakdown of the events and the associated costs. Mayor Strong asked if the budget reductions are implemented, if the funds are going to build the Reserves or to reduce taxes dramatically. He stated if you dramatically reduce the taxes, the ability to increase the taxes is hampered. Commissioner Diebel stated they have reached consensus today on about \$1 million.

City Manager Knight addressed the list of budget requests that were not funded. Commissioner Dillaha spoke about taking a certain amount of money and putting it directly into the Reserves and to take care of some of the capital projects needed to update and improve facilities. Mayor Strong stated he does not want to lower the taxes too low and wanted to get back to last year's rate. Commissioner Dillaha agreed. Mayor Strong suggested putting the savings either into capital projects or all into the Reserves because some items may need to be reinstated during the year. There was a general consensus to go to last year's millage rate of 3.995.

Commissioner Bridges addressed current leases/agreements with other entities that the City is given a very nominal amount for rent that other cities are reevaluating. She spoke about the \$1 a year lease to the Chamber of Commerce for their office space. She spoke about the working relationship the City has with the Chamber but believed the lease should be reviewed and re-evaluated. She also wanted to know if the City pays some of the Chamber's other expenses. She stated that they need to look at the fair market rate for their office space. City Manager Knight addressed the long term lease agreement. Attorney Cheek will provide a summary of the lease terms and if either party has the right to renegotiate the agreement at any time.

Commissioner Anderson asked about the water and electric utilities and if more detailed budgets will be provided for those. City Manager Knight stated he can bring them to Monday's work session. Commissioner Anderson wanted to be sure the bonds are in the budget and asked if all operating profits are going into capital improvements for the electric or to repay the debt incurred by purchasing the utility. He also addressed the Fire Department and going through the discussions with the labor contract and the perception if there were one or two more positions that there may be some overtime savings. He stated he wanted to hear from the City Manager and Fire Chief whether we should look at unfreezing one or two positions and what the tradeoff would be. City Manager Knight believed at worst we would break even. After further discussion, Fire Chief White provided a suggestion that would tell if there is really an impact and stated they would have to move overtime monies in the budget over to salaries.

Commissioner Bridges expressed a concern with the elimination of the two Police Department positions and asked if the other Commissioners agree not to eliminate those. City Manager Knight clarified those positions had the least impact on the patrol and were not uniform patrol officers who respond to calls. Police Chief Ball spoke on this issue.

Commissioner Diebel spoke about wanting the millage decreased and advocated that any additional operating reduction should go to build the Reserves. She suggested having a separate discussion to re-prioritize the capital reductions and decide how much of that needs to go into Reserves, how much they want to build the Reserves in this fiscal year, and to reduce the millage by a small amount if they come to an agreement. Mayor Strong reiterated the importance at keeping the millage where it is and not to reduce it because of the ramifications for future years.

Commissioner Bridges wanted to prioritize projects that really need to be done and possibly include those in the budget instead of putting all the savings into the Reserves. Commissioner Dillaha stated that some of the improvements are related to revenue generating facilities and they need to be maintained and rented.

City Manager Knight suggested that staff will put together what they heard today and provide that to the Commission so a revised budget can be presented next Monday as to where we stand along with the other items not determined yet. He stated he wants to formalize the early retirements at the next meeting and the incentive numbers.

The meeting adjourned at 5:41 p.m.

A handwritten signature in cursive script, reading "Cynthia S. Bonham". The signature is written in dark ink and is positioned above a horizontal line.

Cynthia S. Bonham, City Clerk