

CITY COMMISSION WORK SESSION
September 16, 2010

The work session was called to order by Mayor Bradley at 8:05 a.m. in the Commission Chambers, 401 Park Avenue South, Winter Park, Florida.

Members present:

Commissioner Phil Anderson
Commissioner Beth Dillaha

Also present:

City Manager Randy Knight

Absent:

Mayor Kenneth Bradley
Commissioner Carolyn Cooper
Commissioner Tom McMacken

This meeting was a work session with no public input.

This work session was to discuss budget policies for the City. Commissioner Dillaha stated she brought this up to help them in their decision making process and to put policies in place in terms of what kinds of information should be presented annually in advance of setting budget goals and adopting a budget for the following fiscal year.

Commissioner Anderson stated that he wanted Mr. Knight to go back and readjust the formatting of the budget and present it in a way where there are between 5-10 guideline percentages. As an example he suggested that Mr. Knight look back over the last ten years and take the percentages of gross revenue and the percentages of certain line item expenses and use those metrics to either gauge the budget or use it as guideline towards a budgeting policy. He also mentioned ideas such as what should they be looking at for recurring cap backs and non-recurring cap backs and what is the correct way to gauge how much should be allocated year to year. He explained that recurring to him is a policy decision on how many miles of road they replace every year and non-recurring is fixing the lights on the ball field. He said that he is not prepared today to say what those items should be. It is more of a preparatory exercise for them to say this is what history has been and this is the growth rate of certain items and use that data.

Commissioner Dillaha mentioned the capital projects and the allocation of funds for those items. She noted that other Florida cities apply a certain percentage of their ad valorem revenues towards capital projects. She suggested that they receive a yearly update and status for all capital projects and to have an overview presentation of all outstanding debt, including the principal, the interest, the debt services and financial obligations to help them know what is coming up in the next three and five years. She also suggested having a review of the debt policies and that it be presented to the Commission either annually or every two years. Another item she mentioned was to have a review of the Charter in terms of what triggers a voter referendum for issuing debt. She said she did not realize that they could go ahead and issue bonds for the electric utility and water and sewer for any amount and that they do not have to go to a referendum for that. Mr. Knight stated that it all depends on what they do with the money.

She would also like the Personnel Policy to be reviewed annually with the City Commission. She said it would be related to removing a policy, discipline and grievance and that it might be helpful to also review the benefit package, health benefit costs, salaries and wages. She

mentioned that the financial presentations should take place in a public forum to give the citizens the opportunity to listen and comment if they wanted to.

Mr. Knight said that a lot of the information that she has mentioned is provided in the CAFR that goes out every year. She said the challenge with the CAFR is there is so much information and as a new commissioner you are not real sure what you should be looking at and you might not be sure what it means and it would be helpful to review as a commission instead of individually. Mr. Knight asked her what time of year they would like this report since he delivers the budget on July 1 to the Commission and she said maybe June 1 or May 15.

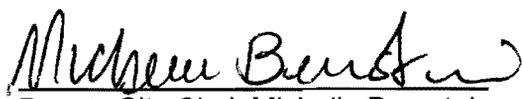
Commissioner Anderson said the all of information that she mentioned is in the reports that have been provided but they have to dig through it and there is probably only three or four pages that make a difference. He said maybe it is a debt schedule or maybe it is just a different way to present the budget so that certain statistics that tell you how well you are doing are included. He noted that there are a lot of items that do not change year to year but there are items that do change and maybe those are the items that they need to focus on, such as how much they are going to fund for reserves and the balance between operating expenses and capital expenses.

He stated that in order to obtain more money to spend on capital projects they either have to diminish the level of service to create operating savings or they have to increase revenues or go out with a separate and detached revenue source, which would be a bond issue and ask people to pay more to fund the bond issue outside of the general fund budget. He mentioned that he was going to ask Mr. Knight to do a backwards look and a front forecast on the percentage of growth for police, fire and general fund employee benefit packages because to him that is the biggest single operating expense number that they have to deal with. He mentioned that the big revenue drivers are the use of City enterprises which is the power and water company.

Mr. Knight stated that the 5 year Capital Plan is important so they can focus on the short and long term items and the priorities of each item. He also mentioned the budget policy and agreed that they need to address several items including how soon do they want to get to the 30% mark in reserves and what happens when they get there.

Commissioner Dillaha suggested that each of them compile a list of ideas and for Mr. Knight to also list his suggestions and then regroup to discuss the items. It was agreed.

The meeting was adjourned at 8:45 a.m.


Deputy City Clerk Michelle Bernstein