

BUDGET ADVISORY COMMITTEE
CITY OF TARPON SPRINGS
APRIL 8, 2010

THE BUDGET ADVISORY COMMITTEE MET IN REGULAR SESSION IN THE CITY HALL SECOND FLOOR CONFERENCE ROOM, 324 EAST PINE STREET, ON APRIL 8, 2010, AT 2: 05 P.M. WITH THE FOLLOWING PRESENT:

MARTY PETERS	VICE CHAIRMAN
CHRIS ANGELOU	MEMBER
IRVING MARGON	MEMBER
ROGER SELLEW	MEMBER
MARILYN CHAPMAN	ALTERNATE
GERALD GOEN	ALTERNATE

ABSENT/EXCUSED: TOWNSEND TARAPANI CHAIRMAN

STAFF PRESENT:	JOSEPH DIPASQUA	ACTING CITY MANAGER
	K. MICHELE MANOUSOS	DEPUTY CITY CLERK
	ARIE WALKER	FINANCE DIRECTOR
	ROBERT KOCHEN	ACTING POLICE CHIEF

CALL TO ORDER:

Chairman Tarapani called the meeting to order at 2:05 p.m.

ROLL CALL:

Deputy City Clerk Manousos called roll.

* Mr. Angelou arrived at 2:10 p.m.

1 & 2. APPROVAL OF MINUTES: February 18, 2010; March 11, 2010.

MOTION: MR. SELLEW
SECOND: Mr. MARGON

To approve the minutes of February 18, 2010.
and March 11, 2010.

VOTE ON MOTION – Upon viva voce vote, the motion carried unanimously.

UNFINISHED BUSINESS:

Vice Chairman Peters announced that item 4 would be discussed out of order prior to item 3.

3. REVIEW INFORMATION RECEIVED ON INSURANCE PROGRAMS OFFERED TO CITY EMPLOYEES:

Mr. Goen said he reviewed the information on the programs and was relatively comfortable with each. He asked how the items were bid and felt that they should be bid every so often and self-insuring should be investigated.

Arie Walker, Finance Director, explained the bidding process and said that the City had not bid health insurance for four years and explained why. Ms. Walker also said staff was diligent about obtaining quality, affordable health insurance plans for City workers and moved to the not-for-profit, Florida Municipal Insurance Trust, through the League of Cities several years ago and to date it was a lower cost and better plan than the previous insurer. She also reviewed the other employee benefit programs. Ms. Walker said staff researched developing a cooperative with several nearby municipalities several years ago, but unfortunately it was not a cost effective alternative.

Mr. Sellew asked what the City's contribution for insurance costs for the employee was, and Ms. Walker said one hundred percent.

4. IDEAS OR CONCEPTS FOR REVENUE GENERATION:

Vice Chairman Peters reviewed that at the last meeting the committee had asked staff to research ways the League of Cities or similar organization use to generate revenue and also talked about prior suggestions which were not feasible at this time: ticketing vehicles for "red light running"; fees on the use of plastic bags, but asked if there were any other suggestions.

City Manager LeCouris and Ms. Walker reviewed staff recommendations to increase revenue: 1.) increasing fees for recreation classes/teams; 2.) increasing stormwater fees; 3.) increasing fees for special events; and 4.) studying assessments fees on street lights.

Mr. Sellew asked where assessments would appear and Ms. Walker explained generally they appear on the tax bill.

(Continued)

UNFINISHED BUSINESS (Continued):

4. IDEAS OR CONCEPTS FOR REVENUE GENERATION:

Ms. Chapman asked if the special events, like the Annual Art Fair, were charged fees and City Manager LeCouris said the current special event cost was a \$50.00 application fee and \$100.00 for the event. Ms. Chapman said in her opinion, those fees could be increased.

City Manager LeCouris discussed the City's partnership with event sponsors to encourage bringing business to the City and historically the fees were kept low to help. Ms. Chapman suggested adjusting the fees to match the size and profit making potential of the each event; and fees on the sale of beer or wine. Mr. Sellew discussed the City receiving a percentage of the beverage receipts. City Manager LeCouris discussed the state law limitations on the City directly selling alcoholic beverages.

Mr. Sellew asked who paid for clean up, police patrols and other costs of the events on City property. City Manager LeCouris stated the event planner.

Mr. Goen asked about utilizing the Recreation Department's concession stand at special events and also discussed soliciting donations through resident's water bills which residents could round up their payment and the difference be applied for a specific purpose and explained a similar idea the state legislature approved to solicit donations when citizens renew their vehicle registration.

Vice Chairman Peters discussed giving staff direction for a plan of action for generating revenue that if approved by the budget committee could be presented to the Board of Commissioners.

Ms. Chapman said that although in the past the civic and volunteer organizations occupying City buildings were not asked to pay rent or utilities, in her opinion, with changes in the economy they should be asked to contribute with the goal of self-sufficiency.

Mr. Sellew suggested a policy statement be developed to support the idea that any organization using City property be encouraged to be self-sufficient.

Vice-Chairman Peters felt the idea of self-sufficiency might discourage volunteerism.

Ms. Chapman suggested that the volunteers from various organizations be invited to participate in the budget advisory discussions.

(Continued)

UNFINISHED BUSINESS (Continued):

4. IDEAS OR CONCEPTS FOR REVENUE GENERATION:

PUBLIC COMMENTS:

Beverly Kurpinski, 726 Waterside Court, asked if the City could generate revenue at entertainment events by selling beverages and charging admission to City historic buildings.

Vice Mayor Saenger discussed ways to develop a volunteer "rounding up your bill" program.

The consensus of the Board was to have City staff prepare in writing for the next meeting:

- 1.) develop a plan of action comparing fees for events that use City property to other cities in the county and also develop prorated fees with the goal to increase revenue.
- 2.) investigate and present ways to generate revenue through the sale of alcoholic beverages at City events on City property.
- 3.) staff investigates ways to generate revenue through the sale of other items at City events held on City property.
- 4.) examine the opportunity of a volunteer check off for donating or rounding up in City billing statements to support a specific City improvement or program.

MOTION: VICE CHAIRMAN PETERS
SECOND: MR. SELLEW

That a meeting with volunteer organizations (such as the Train Depot; Historical Society) be planned to review ways to become self-sustaining.

MOTION WITHDRAWN

5. REVIEW ADDITIONAL RECOMMENDATIONS:

Vice Chairman Peters asked if there was any update to the recommendations made at the previous meeting for generating revenue such as renting out City buildings.

City Manager LeCouris said, no not at this time; however, the completion of the pavilion project at Sunset Beach would enhance renting that space.

NEW BUSINESS:

6. COST ANALYSIS:

a.) IN-HOUSE CITY ATTORNEY V. OUTSIDE FIRM:

Vice Chairman Peters reviewed the Committee's recommendation for a written policy for the use of Attorney services.

(Continued)

NEW BUSINESS (Continued):

6 COST ANALYSIS:

a.) IN-HOUSE CITY ATTORNEY V. OUTSIDE FIRM:

City Manager LeCouris explained it was possible to limit in-house contact with the City Attorney's office with a written policy for staff; however, the Board of Commissioners controlled the various City boards and also the City Attorney's office so he would be meeting with the City Attorney to review and discuss policy but the final policy would be set by the Board of Commissioners.

Mr. Sellew asked what account the City Attorney's Office billing was under. Ms. Walker said that the office had a separate account division which was tracked separately.

Mr. Sellew asked who was responsible for control and accountability, to which, City Manager LeCouris said he planned to discuss the "gatekeeper" system with the Board of Commissioners at the April work session.

Vice Chairman Peters reviewed the information discussed at prior budget review meetings comparing employing an in-house lawyer v. an outside firm and a year by year cost for the current outside firm for legal services. He said to date he was not convinced that an outside firm was the most economical route for the City to continue to take. He asked for the cost of the retainer and if there were any other law firms employed by the City. Ms. Walker discussed the retainer fee and the other firms employed.

Mr. Margon talked about a recent Planning and Zoning meeting and the legal representation at the meeting.

Ms. Chapman asked for information about lawyer's fees for several volunteer Boards and City Manager LeCouris explained the current trend among each of the Boards was to have legal representation at each meeting.

Ms. Walker said current legal fees included litigation.

Mr. Sellew said it was important to have a gate keeper system but he concluded there was not enough need for an in-house attorney unless he had vast knowledge of many different types of law. He felt this current system should be the model.

Vice Chairman Peters suggested a written cost analysis be prepared.

Ms. Chapman felt the analysis should be broken down by staff and board use.

PUBLIC COMMENTS:

Beverly Kurpinski, 726 Waterside Court, asked for additional information about retainer fees and Ms. Walker explained what was covered by the retainer fee.

(Continued)

NEW BUSINESS (Continued):

6. COST ANALYSIS:

b.) REVIEW CURRENT SYSTEM:

Discussion of this item was deferred to the next meeting.

EXTEND MEETING:

Vice Chairman Peters asked of a motion to extend the meeting.

MOTION: MR. SELLEW
SECOND: Mr. GOEN

To extend the meeting to 4:30 p.m.

VOTE ON MOTION – Upon viva voce vote, the motion carried unanimously.

7. REPORT ON COST SAVINGS TO DATE OFFSETTING THE BUDGET SHORTFALLS TO MINIMIZE WITHDRAWALS FROM RESERVE FUNDS:

City Manager LeCouris provided a report for the Committee review. He said this was planned for the Board of Commissioners review at an upcoming work session.

Ms. Sellow asked several questions about the unbudgeted revenues received/expenditure reductions worksheet provided by City Manager LeCouris.

City Manager LeCouris said the reductions were based on projections to October 1, 2010.

The Board applauded the City Manager's ability to reduce the current budget by a significant dollar amount.

Mr. Goen thanked staff for the change in accounting reporting that included an additional line and specific categories. He also discussed placing a moratorium on each department which would allow a defined percentage increase over the 2009 fiscal budget.

Ms. Walker explained that budget cuts in some departments could not be maintained and explained the training needs of the fire department did not allow for a reduction two years in a row.

City Manager LeCouris also discussed cost savings for training in the City for hurricane preparedness and other ways staff developed to cut current and future budget costs. He detailed the types of discussions he and Ms. Walker have with each department to lay out their budgets.

(Continued)

NEW BUSINESS (Continued):

7. REPORT ON COST SAVINGS TO DATE OFFSETTING THE BUDGET SHORTFALLS TO MINIMIZE WITHDRAWALS FROM RESERVE FUNDS:

Mr. Sellow suggested adding a justification notation when large changes in a line item were being made.

Ms. Walker said the departments have been told they can not increase their overall operating budgets over the previous year with the exclusion of items out of their control such as water or electric service.

PUBLIC COMMENTS:

Beverly Kurpinski, 726 Waterside Court, suggested the Board view the Board of Commissioner meeting of April 6, 2010 because the auditor was very complementary about staff's budgeting techniques.

8. WAYS TO REDUCE WATER/SEWER COSTS AND AN IN DEPTH EXAMINATION OF:

a. PERCEPTION THAT RECENT RATE INCREASE WAS TO FUND THE REVERSE OSMOSIS PLANT:

Ms. Walker provided the scenarios prepared by Burton and Associates which analyzed the different outcomes with and without a reverse osmosis plant; as well as, the justification for the current rate increase.

Mr. Sellow discussed Dunedin's reverse osmosis system and questioned why their costs were currently higher than Tarpon Springs.

Ms. Walker discussed it could be because they served a larger population.

Vice Chairman Peters said the meeting time was nearly expired and asked the item be placed on the next agenda for further discussion.

b. ACCOUNTABILITY OF CONSULTANTS WHO PROVIDE INCORRECT FORECASTS.

Vice Chairman Peters said the meeting time was nearly expired and asked the item 8a and 8b be placed on the next agenda for further discussion.

ITEMS FOR NEXT AGENDA:

- A. Discussion 2001 Budget – Department Presentations (Next Department?)
- B. Analysis of Income that could be generated from retail store or industrial site (from March 11, 2010 meeting)
- C. Ways to reduce water/sewer costs and an in depth examination of:
perception that recent rate increase was to fund the reverse osmosis plant;
accountability of consultants who provide incorrect forecasts.

PUBLIC COMMENTS:

There were no additional public comments.

BOARD COMMENTS:

There were no additional Board comments.

ADJOURNMENT:

The meeting adjourned at 4:29 P.M.



MARTY PETERS, VICE CHAIRMAN

ATTEST:



K. MICHELE MANOUSOS, CMC
DEPUTY CITY CLERK & COLLECTOR

CITY CLERK'S NOTE: This meeting has been recorded in its entirety and the recordings are kept on file in the City Clerk's Office for the required retention period.