

BUDGET ADVISORY COMMITTEE
CITY OF TARPON SPRINGS
JUNE 23, 2011

THE BUDGET ADVISORY COMMITTEE MET IN REGULAR SESSION IN THE CITY HALL SECOND FLOOR CONFERENCE ROOM, 324 EAST PINE STREET, ON JUNE 23, 2011, AT 2: 00 P.M. WITH THE FOLLOWING PRESENT:

MARTY PETERS	CHAIRMAN
IRVING MARGON	VICE CHAIRMAN
CHRIS ANGELOU	MEMBER
ROGER SELLEW	MEMBER
DAVID BANThER	MEMBER
GERALD GOEN	ALTERNATE
SHANNON RAPUANO	ALTERNATE

STAFF PRESENT:	MARK LECOURIS	CITY MANAGER
	K. MICHELE MANOUSOS	DEPUTY CITY CLERK
	ARIE WALKER	FINANCE DIRECTOR
	ROBERT KOCHEN	POLICE CHIEF/COMMITTEE LIAISON
	JOSEPH DIPASQUA	DEVELOPMENT SERVICES DIRECTOR
	JUDY STALEY	RESEARCH & INFORMATION OFFICER
	JANE KNIFFEN	HUMAN RESOURCES DIRECTOR

ALSO PRESENT:	TOWNSEND TARAPANI	COMMISSIONER
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CALL TO ORDER:

Chairman Peters called the meeting to order at 2: 00 p.m.

ROLL CALL:

Deputy City Clerk Manousos called roll.

UNFINISHED BUSINESS:

1. REVIEW PROPOSED 2011-2012 GENERAL FUND BUDGET PRESENTATION TO BOARD OF COMMISSIONERS (City Manager):

City Manager LeCouris presented a general outline of the Board of Commissioner's recent budget work session. He pointed out two Commissioners were in favor of lowering the millage rate; and the Board favored an employee bonus and asked staff to provide an analysis.

Mr. Goen thanked City Manager LeCouris and said the information provided was excellent. He also said he submitted some questions by e-mail and did not see any response. Chair Peters said the questions were put on as an agenda item.

Mr. Sellew asked if the approximate \$300,000 dollar ad valorem revenue reduction was based on declining real estate values and Arie Walker, Finance Director, responded yes.

2. REPORT BACK ON MEMBER SELLEW'S MOTION TO CHECK ON HEALTH CARE DISCUSSIONS AMONG HUMAN RESOURCES GROUP:

Jane Kniffen, Human Resources Director, gave an overview of Health Care coverage. She highlighted the common cost drivers in the type of insurance provided by most insurers today; major factors that determined cost trends including: an aging population; technological advances; prescription drug costs; government, federal and state, mandated coverage; and claims experience.

Ms. Kniffen reported that there was no interest by surrounding municipal entities to consolidate healthcare and explained the major reasons. She talked about the City's membership with the Florida Municipal Insurance Trust, a state wide consortium through the Florida League of Cities, which had an exclusive contract with United Healthcare. Mr. Sellew asked how many participants were in the Florida Municipal Insurance Trust and Ms. Kniffen said approximately 5,000. He also asked if there were any other consortiums available and Ms. Kniffen said one was just formed.

Mr. Angelou asked if there would be reduced costs in the future and Ms. Kniffen said it was very unpredictable because the biggest influence on cost was past experience combined with yearly major medical claims. Vice Chair Margon asked how the City's claims experience compared with others in the consortium and Ms. Kniffen said the City's claims experience was low and she felt that wellness programs offered the best way to help control claims. Mr. Banther agreed that controlling cost was a difficult task and explained as a small business owner talking to employees about staying well and cost helped. Mr. Goen felt it was still possible to "bargain" with insurers for lower rates and talked about insurer's profit margins. Mr. Sellew asked about the City employee's average age and Ms. Kniffen said several years ago the average employee age was 50 or older and that age has been going down.

UNFINISHED BUSINESS (Continued):

3. PRESENTATION – IT (Information Technology) Department – (Questions & Answers)

a.) \$1800 computer cost explained

b.) Off-site storage explained (safety deposit boxes and secure/remote backup)

c.) Other

Mr. Banther thanked Joseph DiPasqua, Development Services Director, for his memo on the unit cost estimate to purchase new or replacement computer workstations (Exhibit 1), and said he better understood the cost which he first thought was on the high side. Mr. DiPasqua further explained the varying departmental computer needs and said the cost was averaged with some computer categories costing less and some more. Mr. Banther talked about controlling cost by using up to date but cost effective operating system with other software components bundled-in. Mr. DiPasqua explained staff was exploring the cost of software licensing to minimize cost. Ms. Rapuano felt the estimate was reasonable with the terms Mr. DiPasqua described and asked if the City needed a lot of specialized software. Mr. DiPasqua said, yes, there were approximately 100 different software packages needed throughout the City's departments.

Chair Peters talked about the timeline for making a decision about whether an Information Technology Administrator was needed and Mr. DiPasqua updated the Committee on the review and reorganization of the MIS department and said it would be six to twelve months before a recommendation for that would be made.

4. SALARY COMPARISONS BY POSITION TO VARIOUS CITIES:

Judy Staley, Research and Information Officer, explained the hand-out, Position Classification Survey, Summer 2010 (Exhibit 2) and said the yearly survey helped determine City employee salaries in years when there were salary increases. Mr. Peters talked restructuring salaries based on variables including: "like" nearby communities and the "wealth" of the contributing community. Mr. Sellew felt if there was a turnover problem in the City salary adjustments could be studied but otherwise, in his opinion, it would not be necessary to introduce a restructuring plan.

5. SPLIT SALARY LINE ITEM TOTALS BY POSITION:

Mr. Banther thanked staff for the information provided on the handout FY 2012 Split Position Allocations (Exhibit 3) and said it answered his question about salaries.

6. SECURITY ALARM FEES:

Mr. Banther said that the cost of Security/Alarm fees varied by department and asked for additional information. Ms. Walker said the City had two providers: ADT providing security alarms and monitoring; and ATS providing security alarms, fire alarms, fire sprinklers and some fire safety inspections. Mr. Banther encouraged staff to consider consolidating services because he thought overall cost would be lower. Ms. Walker said she spoke to the police and fire departments about their requirements and said the purchasing department was going to research all options.

UNFINISHED BUSINESS (Continued):

7. MR. MARGON POINTS 6.9.11:

Page 14: City Manager LeCouris addressed, page 14: Economic development position. He said the search for an economic development specialist was extended for a few more weeks; talked about the screening process; and expected the position fill date to be October 1, 2011.

Page 15: Ms. Walker explained the use of the inter-departmental allocation entries. She used the Library and the Fire Department as examples; said the methodology had been audited and accepted by the County auditors; and explained the how basic percentages were applied for services such as human resources or other professional services in various departments.

Page 27: Ms. Walker discussed the Internal Auditor allocation for this year was for two separate "independent" audits of the MIS department and of Progress Energy's franchise fees. Vice Chair Margon said hiring an auditing firm as needed was a better option than having a person on staff.

Page 72: Ms. Walker said the expenses would include disasters and were not allowed to be included in the fire departments normal operating budget. City Manager LeCouris talked about monitoring month to month and said trend adjustments could be made in some areas when the budget was firmed up on July 18, 2011. He also talked about the importance of moving ahead on some capital improvement projects particularly when postponing would create a larger expensive.

Page 120: Ms. Walker said the three vacant positions in Arts & Historical Resources at present were filled using by part-time temporary employees on an "as needed" basis.

8. DONATIONS:

Mr. Sellw talked about donations listed on the balance sheet and suggested a policy be developed to have specified donations used in the year received so funds would did not have to be carried over. He said he understood that sometimes funds for specific purposes for the betterment of the City, such as the dog park, it would be necessary to postpone spending in the year donated but when possible it should be spent in the year received. City Manager LeCouris agreed. Police Chief Kochen discussed situations when carry-over would be prudent.

NEW BUSINESS:

9. MILLAGE DECISION PROCESS:

Chairman Peters talked about increases or decreases in the millage rate and suggested when there was a proposed change that the corresponding services being cut or added should also be listed. City Manager LeCouris talked about a proposal during the Board of Commissioners meeting to reduce the millage rate. Chairman Peters talked about the Committee's proposal in 2009 to have increases or decreases being tied to service needs.

EXTEND THE MEETING: Chairman Peters interrupted the meeting and said to continue he would need to have a motion to extend the meeting for up to 15 minutes. Upon viva voce vote, the motion to extend the meeting carried unanimously. The meeting resumed at 4:01 p.m.

Mr. Goen said leaving the millage rate at last years rate produces a budget decrease and said the Committee needed more information before endorsing any change. He also said he would like the City to set funds aside for downtown redevelopment. Chair Peters said if the Committee agreed he would like to make a recommendation to the Board of Commissioners concerning changes to the millage rate.

MOTION: MR. SELLEW
SECOND: MR. ANGELOU

The committee recommends that any proposed change in the millage rate list corresponding increases or decreases in specific services on a year to year basis

Upon viva voce vote, the motion carried unanimously.

ITEMS FOR NEXT AGENDA:

1. Presentation on the bidding process.
2. Mr. Goen's questions: 2 to 6.
3. Tarpon Avenue road maintenance Fund.

Chairman Peters asked for Board and public comments and there were none.

ADJOURNMENT:

MOTION: VICE CHAIR MARGON
SECOND: MR. BANTHER

To adjourn the meeting.

Upon viva voce vote, the motion carried unanimously.

The meeting adjourned at 4: 15 P.M.

MARTY PETERS, 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.*