

Palmetto City Council
Budget Workshop Minutes
September 15, 2003 4:00 PM

Elected Officials Present:

Larry Bustle, Mayor
Shirley Bryant, Vice Mayor
Tamara Cornwell, Council Member
Charlie Grace, Council Member
Mary Lancaster, Council Member
Brian Williams, Council Member

Staff and others present:

J. E. Free, Jr., City Clerk
Chief Garry Lowe
Captain Clyde Hedrick
Chris Lukowiak, Public Works Director
Diane Ponder, Administrative Assistant

Mayor Bustle called the meeting to order at 4:00 p.m.

Mayor Bustle gave the invocation followed by the Pledge of Allegiance to the United States Flag.

1. AGENDA APPROVAL

MOTION: Ms. Bryant moved, Mrs. Lancaster seconded and motion carried 5-0 to approve the September 15, 2003 agenda.

2. FISCAL YEAR 03-04 BUDGET DISCUSSION

Mr. Free distributed a FY 03-04 budget summary containing revisions discussed to date and the revised salary schedule. The salary schedule, figured at approximately \$255,000, reflects the following changes:

- Deletion of the Warehouse Controller position
- Addition of the engineer as the Public Works Deputy Director
- Purchasing Agent assuming control of the inventory with a \$2,600 pay increase
- Positions below the Cody & Associates minimum raised to the minimum standard (\$300 maximum increase to approximately 10 employees); one position needs to be reclassified before adjustment

Mr. Free informed Council that 40% of the \$255,000 is changes to the City's contribution to the pension plans. He suggested the City should look at the plans and should try to calculate the contribution rate beyond one year.

The projected salary schedule includes a 2.5% COLA on the wage effective October 1, 2003 and then a 1.5% increase on the employee's anniversary date. He discussed the difficulty in properly instituting the performance evaluation this year because of the lack of accumulated history in the employee files. If Council wishes to implement the

performance evaluation a program may be instituted at 0% or .5% for needs improvement, .75% or 1% for satisfactory, and 1.5% for exceptional performances. Discussion ensued on performance standards and their associated performance percentages.

Mr. Williams entered the meeting at 4:10 p.m.

While discussing combining the purchasing and inventory control functions, Ms. Bryant suggested Mr. Lukowiak should have a chance to review the combined positions. If the new position should not work, whether from the Purchasing Agent's standpoint or the Public Works Director's position, the salary will go with the position. The position, as well as the Inventory Clerk, will report to the City Clerk. The position's new job description will be provided to Council for review.

Discussion ensued on the implementation of the performance plan. Mr. Free stated he felt a plan could be developed by December to implement the performance plan. The Department Heads will be responsible for setting the criteria for the performance evaluations, which Council must review and approve prior to implementation. Cody & Associates will discuss the plan with Council during the first workshop in October.

Mr. Free discussed the pension plan and the 2.5% per year the employees accrue as being on the high side. He stated FLOC has a plan for small cities that is 2%. Mr. Williams discussed the need to develop a COLA for retirees, using .5% of the 2.5%. Mayor Bustle suggested tasking the Board of Trustees of the pension plans to develop a recommendation regarding a COLA for the retirees.

Take Home Vehicles

As requested at the last budget workshop, Chief Lowe distributed a map showing a six-mile radius. Using the six-mile radius, six officers would not be issued a take home vehicle. Council debated the benefits of take home vehicles. Mayor Bustle called for the question, resulting in a 4-1 vote to support the program. Ms. Cornwell voted no.

IT Department

IT Director Donny Burkhardt discussed the problems the City is having with its communications. Steps are being taken to identify and solve the problems we share with the Sheriff's Department.

Historic Park

There are sufficient funds in the FYE03 budget to repair the roof at Carnegie Library. The FY03-04 budget line item Operating Expenses supports recurring costs for maintenance contracts for pest control and air-conditioning units.

Discussing the City's parks being ADA compliant, Parks & Rec Supervisor Geoff Seger stated a FRDAP Grant is being sought to install new bathroom facilities at Lamb Park. The Riverside West park will be upgraded in October, making it compliant.

Funding for the Stand-By Pay and On-Call Storm Related Pay Policy is contained in the proposed budget.

Mr. Free discussed the budget being a working document and that items will arise requiring budget amendments. Council will always be made aware of necessary adjustments via resolutions requiring adoption.

Mr. Free briefly touched on the many projects facing the City, stating his belief the City may have to adjust utility rates to complete a portion of the projects. The Wastewater Facility Plan done in 2001 may contain sufficient data to address storm water rates. The last utility rate study was performed in 1997 and is too old to use as a model. He suggested soliciting a letter of interest from companies interested in computing a rate study. The water, sewer and reuse rates are not sufficient to fund projects. Funding for some of the projects may be possible through the SRF loan, which requires a public hearing and development of a finance plan, which may include a rate increase. Mr. Free suggested that to preserve a revenue stream outside of utility rates. Council may wish to look at ad valorem taxes to increase the General Fund revenues as a reserve project.

Mr. Free discussed the General Fund Budget before Council, excluding projects, includes no millage increase. The projects in the General Fund are \$100,000 for Phase II of the City Center and \$100,000 for the Council Chamber upgrade. After debating the need to expend the funds on the two projects, Council concurred to reserve the General Fund Surplus before Projects of \$157,217, which will be allocated between the two projects.

Mayor Bustle asked for a consensus vote on the proposed budget.

Mr. Free advised Council the following revenue, net of the CRA portion, can be realized from a millage increase:

1/4 mill increase	\$ 88,000
1/2 mill increase	\$177,000
3/4 mill increase	\$265,000
1 mill increase	\$354,000

In comparison, a one-half cent sales tax would generate revenue of \$650,000. It is the county's position the sales tax cannot be put on a referendum until 2004, effective 2005.

\$177,000 would support debt capacity for approximately \$3 million for ten years at 4.5%.

Mayor Bustle asked for a consensus vote on the proposed budget, stating the projects were not included and would be discussed at a subsequent meeting. He informed Council that a decision had to be made at the 7:00 meeting setting a tentative millage rate.

Ms. Cornwell inquired about reviewing the equipment list. She expressed concern about the budget being balanced because equipment for the Sanitation Department remained in the budget when there is a possibility the service will be contracted out. Mr. Free discussed the equipment list being the same that was approved for the Master Lease Program. Mr. Free stressed that any equipment leased or purchased would come to Council for approval prior to purchase.

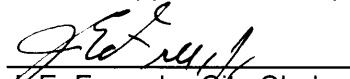
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Captain Hedrick discussed the police fleet being rotated over a five year period, thus the purchase of six vehicles per year.

The September 22, 2003 budget workshop will begin with the equipment list.

Meeting adjourned at 7:55 p.m.

Minutes approved: September 29, 2003



J. E. Free, Jr., City Clerk