

CITY COMMISSION
CITY OF WILDWOOD, FLORIDA
SPECIAL CALLED MEETING
FIRST BUDGET WORKSHOP
JULY 18, 2011 – 9:00 A.M.

(Meeting taped)

The City Commission of the City of Wildwood, Florida met in Special session, July 18, 2011 at 9:00 a.m. for the purpose of FY2011-2012 First Budget Workshop.

Present were: Mayor Wolf, Commissioners Bivins, Clark, Allen and Strickland. Also present were: City Manager Smith, City Clerk Jacobs, and Police Chief Reeser.

The meeting was called to order by Mayor Wolf who dispensed with invocation and pledge.

1. TIMED ITEMS: - None

2. REPORTS AND PUBLIC INPUT:

SPECIAL PRESENTATION:

Power Point Presentation of the FY 2011-2012 BUDGET by Robert Smith, City Manager (Printed copy on file)

CM Smith – Purpose of these workshops are to present to the Commission the FY 2011-2012 Draft Budget, including revenues and expenditures. Budget goals since he has been City Manager has been to maintain the level of quality and service to utility customers and residents while maintaining the financial viability of the City. Expenditures are based on need and not want.

Highlights of FY2010-2011 – widening and resurfacing of CR209 has started and section from 214 to 466 has been completed. Human Resources department was created and Fleet Services department was created. Have done a Downtown Fire Flow study, and near completion of the 2035 Utility Master Plan, LDR update Ordinance will be to the Commission on July 25, Refuse privatization was completed and went more smoothly than anticipated. Building Services consolidation transition to the County was completed. Have had two DRI ARDO's – Landstone and Wildwood Springs. New City Hall sign constructed, received over \$60,000 USDA police car grant monies and awarded a \$700,000 CDBG which is reflected in budget. Reviewed estimated end of year numbers for General Fund. Reviewed Enterprise Fund numbers explaining that the water and wastewater departments took lightening hits and other mishaps, however even with all the mishaps, the departments are coming close to the anticipated expenditure numbers.

Mayor Wolf commended the City Manager on moving Jesus Leonor because he takes pride in his work and the City beautification is looking good again.

2011-2012 Ad Valorem –

Since 1987 the Ad Valorem rate has been reduced, while the Ad Valorem tax revenues have gone up due to decisions the Commission made. Revenues are up, not due to the rate being increased, but due to development. Noted that total ad Valorem revenue increase with the rollback rate of 4.0714% is approximately \$297,202.

Noted the rollback rate equates to a 3.5% decrease in the rate, and is the second lowest rate since 1987.

Mayor Wolf noted that any motion made during the budget workshops are tentative and are not final.

Motion by Commissioner Bivins, second by Commissioner Strickland to adopt the Ad Valorem rollback rate of 4.0714% for FY2011-2012. Motion carried by unanimous vote.

CM Smith – reviewed Overview of General Fund Revenues for a total of 5.38 million dollars as opposed to the current year of 4.4 million dollars. Noted continued reduction of funds transferred from Enterprise Fund to General Fund. Have included conservative estimates for revenues. He noted that some numbers in this presentation may be different from the packet they received on Friday.

CM Smith – reviewed General Fund Expenditures Consideration for Commission compensation reviewed for discussion at second budget workshop. Noted that MLK funding will be in the budget. Noted that Doris King will not be replaced when she retires. Pam Law will take over her duties and he proposes a 5% increase for her. Noted IT and Configuration costs to be divided between Financial Administration and Physical Environment. Noted proposed 5% increase for Chief Reeser, USDA grant for 3 vehicles, 3 Video Cameras that will download directly to the Police Station, Narrow Band Radios which are FCC required by January 1, 2013. Noted Capital Improvements for John Deer Gator, repaving of 4th Avenue, Judy Avenue, Oakgrove Village, CR 156.

In response to questions from Commissioner Allen, CM Smith noted plans to focus on Jackson Street and High Street in the CRA over the next two years. That would include not only the drainage study, but sidewalks and lighting because they are the two main corridors west of 301, since the main corridors east of 301, 466A and 44A and Powell Road are being improved with County moneys. Noted that CR 156 is Clay Drain Road.

Noted the Gator in Public Works budget will be utilized to pick up trash along the 301 north corridor, and Gators used in Parks & Recreation do not tear up the fields the way the trucks do. Parks & Recreation includes more activities.

General Fund expenditures for 2011-12 are an increase of \$103,246 over 2010-11.

Mayor Wolf noted he would like to see some of the debt service being paid down with contingencies and not spend all. CM Smith noted he is a believer in Dave Ramsey theory of buying. Pay cash for what you need.

Noted with a total expected expenditures of 4.5 million dollars and plus additional costs of City Hall Debt, HVAC Repair 50% for a total of \$284,918. Noted this will provide a contingency of \$589,123 in the General Fund.

CRA Budget - \$12,500 in grants to local Businesses for signs and paint, \$25,000 for CRA beautification, \$20,000 for Welcome to Wildwood signs, \$10,000 for sidewalk interconnection, \$25,000 Demolition of Old Library Facility, CDBG Grant of \$700,000 for Osceola Avenue and Pitt & Stone Street Stormwater projects, and CR 232 Resurface project.

Commissioner Allen asked who will maintain the beautification north of new 301 overpass and whether it is CRA funds. CM Smith noted that the problem is currently DOT's until the City enters a contract with them. Mayor Wolf noted that these areas need to be mowed more frequently. CM Smith noted the City can mow more frequently. Noted the demolition of the Old Library is for State and City Stormwater retention. Additional revenues are not being seen at this time because new construction is not in the CRA.

Commissioner Strickland asked if there is a cap on the sign and paint grants and if all the moneys budgeted for 2010-11 were used. CM Smith indicated there is a cap on the grant amount and that all 2010-11 funds have not been used, but they are available. Mayor Wolf noted he feels the sign design in the LDR when it is adopted may need to be looked at again. He feels that some points brought to the Commission recently are valid and the size of the sign does give a different prospective to the front of a building. CM Smith noted that is why there is a variance procedure.

CM Smith reviewed Enterprise Revenues – water operational will be higher in 2010-11 than budgeted due to increased developments with wastewater operational being higher also. Budgeted for 2011-12 in water is 1.36 million dollars and in wastewater 2.19 million dollars. TSS/COD is budgeted at \$650,000. Plans to work with the new Utilities Director to train businesses on how they can reduce their costs. Noted this will also reduce the TSS/COD revenue to the City. Noted projected Enterprise Fund Revenues to be 4.68 million dollars.

Review of Enterprise Expenditures – as noted previously 50% of IT, City Hall HVAC, Debt and repairs are in Physical Environmental. Discussed the proposed Utility Director to oversee both the Water Coordinator and the Wastewater Coordinator. Utility Director would be making director pay. In water budget is 50% of the Utility Director, 2 new vehicles for replacement program, and if the Commission approves this new utility organization plan there will be a salary reduction. Mayor Wolf asked if there would be a retirement reduction also. CM Smith indicated yes because the position changed. Noted the Utility Director would be required to have a bachelor degree in civil and environmental engineering, electrical and preferred to have plant operator certifications. Wastewater budget includes 2 new vehicles, sludge press improvements, 50% of new Utility Director. Pete Bennett's pay out is included. Noted Enterprise Fund Debt Service with total of \$940,972.03. Total Revenues of 4.3+ million dollars and operating Expenditures of 2.8+ million dollars. Additional costs for Admin Transfer and Reserve Transfer leaving Contingency of \$185,118. Reviewed Connection and TIE fees.

By common consent Commission tentatively approved all that was presented to this point.

Health Care Options – noted if current plan if kept would be about a 5% increase or approximately \$21,000 increase. What is in the budget is a 12% increase for the plan that was previously presented to the Commission which is approximately \$52,067.11. If the PRM 3559 plan is approved, no buy up plan would be needed. Mayor Wolf expressed concern that the taxpayers feels they should not be paying health care for employees and feels the Commission placed a cap on the amount the City would pay.

CC Jacobs noted that the Commission had set \$500,000 as the total they would pay on health insurance.

CM Smith provided numbers for health care with an employee contribution of 5%. Noted that without employee contribution the cost would be \$485,961.67 annually. With the contribution it would be \$461,663.59 annually. Further discussion included dental and vision are not part of the \$485.11, whether dental and vision are optional, more flexibility for the employee to choose whether they want dental and vision. CM Smith to find out whether dental and vision are optional, but noted those employees who wouldn't want it would be those who do not need it and that could drive the premium up for those who need it. CM Smith indicated that currently he has in the budget packet the \$485.11 for health plus the \$42.00 for dental and vision. It was noted that the City provided life insurance is included in the \$42.00. Commissioner Strickland expressed concern about capping the amount because the employee would be paying more out of their own pocket than the increase to the City. Questioned if it could be tied to some cost index or such. CM Smith – with the plan that staff is recommending, it will cost the employee approximately \$50 to be on the plan, and when you look at the COLA for the lowest paid person it would be a negative net pay. The more you break it apart the harder it will be to get better plans. At a minimum do a cap at \$500 and have the employee pay a 5% contribution of \$26.00 and provide a 3% COLA of their pay. City employees do deserve a better health care plan than what they have had for the past two years. Mayor Wolf noted that in the 35 years as a public employee he never had 100% of his health care picked up. If those employees who are not happy will talk with ten of their friends and find out how many get 100% of their health care paid for.

CM Smith if a 5% they are paying for that portion, but the Commission would have to set the cap at \$501. That would be in line with what the school board has done. This would have the employee paying on the health insurance only. Commissioner Clark expressed concern that the only life insurance an employee has is what the City provides. Commissioner Strickland feels that the \$500 cap is reasonable with the understanding that future increases will not happen. If a cap of \$500 is set then if it increases 10% next year . . . Commissioner Clark – the sad part is that you don't know what it will be next year or what coverage you will get for the same money.

Further discussion included that the \$25,000 life provided to each employee is tied to the dental and vision. If the employee opts not to take dental and vision they would not have the life insurance; providing a 2% increase with a \$500 cap on the insurance; employees are now mandated by the State to contribute 3% toward their retirement but not the reason the 3% COLA is requested; capping at between \$500 and \$477, possibly \$485 which does not include the \$42 for dental/vision/life.

Mayor Wolf expressed concern about providing a 3% COLA because you open yourself to criticism when no one is giving the COLA this year, but given the fact that the employees are a good group and they have been with us, and we have a good budget and have done things rights and held costs down, then given them the 3% increase, but to him part of that COLA is the increase in health care. CM Smith noted there are some municipalities and counties that are providing a 3% COLA adjustment. Those are the ones that have done it right, they are the ones that budget correctly. The ones not giving the increase are the ones that have counted on the money that wasn't there.

Further discussion – set a cap for the health insurance so it doesn't have to come back next year; not set a cap that would tie the hands of future commissions and this commission needs to review each year; 3% should be given for the way the employees have managed to help keep costs in line for the City.

Motion by Commissioner Allen, second by Commissioner Strickland to approve maximum that City would pay for Medical, Dental, Vision, Life Insurance of \$485.11 per employee, and approve 3% COLA. Motion carried by unanimous vote.

Sumter County Chamber of Commerce

Discussion – Fall in line with what the County and Bushnell does. Wildwood paid \$12,500 in the current year and Bushnell paid \$850 last year; the County was considering the same as last year, reducing the amount or just pay the membership dues of \$850.

CM Smith – the County Chamber is growing with more participation due to increased businesses. The Villages has their own Chamber. If they were to combine there would be fully self-sufficient chamber.

Motion by Commissioner Allen, second by Commissioner Strickland to pay membership dues only, approximately \$850.00. Motion carried. Yea – Allen, Bivins, Clark, and Strickland. Nay – Wolf.

3. NEW BUSINESS:

- a. None
- b. None
- c. None
- d. None
- e. None

The following were covered above:

- f. FINANCIAL
 - 1) Revised FY11-12 Budget Information (Minor adjustments will be explained at the workshop) (Attachments) (PLEASE REMEMBER TO BRING THE BUDGET PACKET SENT TO YOU ON JULY 1ST)
- g. GENERAL ITEMS FOR CONSIDERATION
 - 1) Review/Approval of Utility Director job description and advertisement (Attachments – Staff Recommends Approval)

CM Smith noted next workshop on Monday, August 15, 9 a.m. to 12 noon. Will talk about Commission pay, final revenue estimates, City Hall Annex, Police Station, additional road projects, fiber optic inter-connectivity, merit increase, and review what can be done with the \$485.11.

CM Smith reported that he had submitted an application to the Town of Windemere and has been selected in the top four. Interviews are being scheduled for July 20 and August 7. There

Minutes
Page 6
July 18, 2011

have been other opportunities availed to him, but the reason he submitted to Windemere was because of proximity. Will keep the Commission updated.

Mayor Wolf noted the City Manager has been upfront with him and that he had received a phone call from the selection committee last week and he told them he wished he could say something that would mess it up for him, but he couldn't think of anything bad.

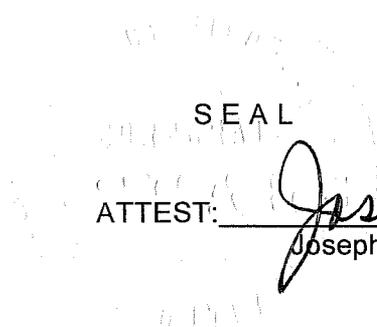
4. ADJOURN:

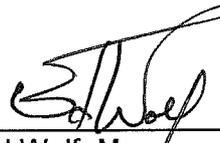
Upon a motion by Commissioner Strickland, second by Commissioner Allen the meeting was adjourned.

CITY COMMISSION
CITY OF WILDWOOD, FLORIDA

SEAL

ATTEST:


Joseph Jacobs
Joseph Jacobs, City Clerk



Ed Wolf, Mayor