

**MINUTES
CITY COUNCIL WORKSHOP
CITY OF ARCADIA
TUESDAY, JUNE 26, 2012
5:30 PM**

CALL TO ORDER, ROLL CALL

The workshop session was called to order at approximately 5:30 PM.

Arcadia City Council

Mayor Keith Keene - Absent
Deputy Mayor Alice Frierson
Councilman Robert Heine

Councilman Joseph E. Fink
Councilman Robert Allen

Arcadia City Staff

Interim Administrator Judi Jankosky
Carrie Taylor, Golf Course Supervisor
City Recorder Virginia S. Haas

Jerry Cordes, PW Supervisor
Finance Director Jorge Santana
Captain Matt Anderson

DISCUSSION:

1. Culture/Recreation 2012/2013 Budget
 - a. Recreation

Mr. Jerry Cordes, Public Works Supervisor, stated that he went through the budget and reduced some line items saving \$2,300. He increased the repairs and maintenance line item because this department would not be acquiring any new trucks.

- b. Golf Course

Mrs. Carrie Taylor, Golf Course Supervisor, explained that this year the Pro Shop and Golf Course budgets were combined. Operating supplies were combined with other current charges for the Pro Shop and Golf Course resulting in a total of \$35,000. She also requested one part time assistant be adjusted to full time. Councilman Fink stated that according to the revenues and expenditures we are operating a money making business at a loss of \$88,000. Mrs. Taylor responded that during the slow months they are offering promotional activities to assist in increasing revenues for the Pro Shop. Councilman Fink questioned why is the Big Dogs Tournament held at The Bluff's instead of the Arcadia Golf Course. Councilman Allen replied that The Bluff's have more amenities and the tournament group is larger. Councilman Fink stated that the Golf Course should be a profit making business and if we are not making a profit we should hand it over to someone else who can make a profit. He continued that we should ask School Board Superintendent Adrian Cline why they use The Bluffs. Councilman Heine suggested contacting the President of the Bull Dog Club. Councilman Fink stated he would also like to ask Mr. Vince Sica why the hospital holds their tournament at The Bluffs. Mrs. Jankosky inputted that the Golf Course relies on its winter residents and this year those residents returned North early. She further stated that the Golf Course may need some good investments. Mrs. Taylor replied to Deputy Mayor Frierson that in the winter season all the golf carts are utilized.

Councilman Fink noted that if that is the case you should be storing or saving during the winter months so you can survive during the summer months. Mrs. Taylor responded to Deputy Mayor Frierson that she has 13 employees, 11 volunteers, 10 are part-time on the City payroll and 2 of the part-time employees are seasonal.

Councilman Fink requested the last 5 years of revenues and expenditures for the golf course and the pro shop to ascertain how long there has been a loss. Mr. Santana explained that during peak times the revenue is \$50,000 – \$60,000, during January, February, March revenues fall to around \$40,000 then during April, May, June and off peak times revenue drops significantly to around \$10,000. Deputy Mayor Frierson asked what the staff does during the summer months. Mrs. Taylor replied that hours are reduced and staff is sent home on such days as when it is raining.

Councilman Fink requested personal services log for the Golf Course and Pro Shop separated out in the spreadsheet along with the other requested information. He stated that if a business is not making a profit that is when you get out from under it.

c. Parks

Mr. Cordes stated that the Parks budget was cut \$1,050 so far and the \$7,500 is for a new mower. He responded to Deputy Mayor Frierson that utilities were reduced to \$4,000 because that original budgeted amount was never completely used previously and the lights at the ball park are not being utilized as often.

d. Mobile Home Park

Mrs. Jankosky explained that utility service consisting of the water and sewer has decreased due to vacancies. The RV spaces were \$15,000 however they disconnected utilities that are not in use saving \$3,500. Councilman Fink inputted that the mobile home park actually makes a profit. Mrs. Jankosky responded to Deputy Mayor Frierson that there are 9 useable mobile home locations and all the RV spots are vacant in the summer months. She noted that the revenues have decreased \$20,000. Mrs. Jankosky responded to Deputy Mayor Frierson that vacancies in the park are advertised on a web site maintained by the Park Manager. Also she has asked for \$1,000 in advertising costs in this year's budget. Mrs. Jankosky stated that the improvements may consist of amenities like tennis courts or pickle ball and possibly a community garden. Mrs. Jankosky responded to Councilman Fink that Mr. Cordes and his staff will be covering the Mobile Home Park in the absence of either the Park or Assistant Managers. Mrs. Jankosky responded to Deputy Mayor Frierson that there are possibly three deteriorating mobile homes that need removal, two of which are in probate. One is being used for storage. Mrs. Jankosky responded to Councilman Fink that there will be an update in the packet on the Highway 17 improvements for the July 3, 2012 Council Meeting.

e. Way Multipurpose Center

Mrs. Jankosky updated Council that when the air conditioning units were replaced five ton units instead of the required 7.5 ton units were installed. This places a huge burden

on the units therefore she asked for an additional \$2,000 - \$3,000 in the repair equipment line item. Mr. Santana responded to Councilman Fink that depreciations schedules are only completed for the enterprise funds. Councilman Fink replied that typically money is set aside for those type major purchases. Councilman Fink asked if the utility service is a single meter. He requested a copy of the Senior Friendship Center agreement.

Mrs. Jankosky reported on another note there are leaking roofs in the City Administrator's Office and in the corner of the Senior Friendship Center. She referred to one quote for repairing the City Administrator's Office between \$8,000 and \$10,000. Councilman Heine suggested a metal roof although it may cost more than shingles. Mrs. Jankosky noted that with the special parapet angle walls it may be prudent to bring in a structural engineer to assess what can be done to correct the problems. Councilman Fink requested an RFP for the Way Building on the next Council agenda.

Deputy Mayor Frierson stated she believes that this is the first Council that has really analyzed the budget. Mrs. Jankosky stated that also the Smith-Brown Gym needs attention and we may have to assess the historical value of the building and decide whether it can be repaired. Councilman Fink suggested putting together a list of all the deteriorating buildings and possibly applying for a small municipal bond. He noted that the second floor of City Hall needs attention as well because of the storage of historical records. Mr. Cordes responded that recommendations for the Smith-Brown Gym included: new roof, new ceiling, new electrical, new windows, security fencing among other safety requirements. Councilman Fink asked if Lester Hornbake, DeSoto County Building Department, could attend the next meeting to discuss the recent building inspections. Mrs. Jankosky replied that she was given a checklist of needs for the building.

- f. Golf Pro Shop – Addressed under Golf Course as these two departments were combined.

Mr. Santana asked if the Council would like to review the detailed financial analysis that he provided. He responded to Deputy Mayor Frierson that the projected deficit including the requests from the workshop today totals \$782,000. Mr. Santana stated he has already calculated the general liability at \$202,000. He continued that property insurance may increase however some assets may be removed resulting in some savings. Mrs. Jankosky added that we will be getting quotes for health insurance which may show some savings and staff is also reviewing property schedules and equipment. Councilman Allen requested recommendations from staff. Councilman Fink requested RFP's for roof replacements to the Way Building and Smith-Brown Gym. He stated unless we look at past agreements the City may go bankrupt. He requested immediate suspension of contract payments and proceed to re-negotiations with the County. Mrs. Jankosky reported that the County is considering increasing the MSBUs and the next meeting with the County would be towards the middle of July.

Councilman Fink stated if we were to eliminate the Police Department, and he is not suggesting that, Sheriff Will Wise's Department would have to provide equal services to all residents. Mr. Gary Frierson replied that you are forgetting about the level of service

which if taken over by the Sheriff may not be acceptable. He added you may get the same protection but only after the County residents are served. Councilman Fink responded to Deputy Mayor Frierson that we are paying for a service twice which is double taxation.

Dr. Lorenzo Dixon stated that assumptions are dangerous and the residents would still have the level and quality of service. We should request a study from the Sheriff himself. This needs to be a business not a personal decision. He stated there was an event at the park and it was the County Officers that reported to the scene. This past Sunday for Father's Day the Sheriff was there to clear out and shut down the park. He is convinced as a business man that if the business is not making money then you need to liquidate. He added that Mr. Newt Keen suggested selling or leasing the golf course. Whether you want to or not you will need to take into consideration making cuts similar to Cape Coral. Deputy Mayor Frierson agreed and stated that she adamantly objected to the \$56,000 bonuses last budget. Mr. Cordes stated that there is a person who has worked over 10 years and is only making \$9 an hour.

Mr. Santana stated the revenues are \$5,537,474 for the current year budget. Through May we have earned \$3,806,123 and calculated through September we will be short \$300,000. When you receive the audit the MSBU will no longer be included in the General Fund. The MSBU will be in fund 108 and will never touch the General Fund. He reviewed page two under contractual services (30340) which was originally budgeted at \$860,327, but since there is no \$220,000 of MSBUs we are only going to spend \$606,000. We will no longer record the MSBU revenues or expenses. In the 2012/2013 budget we are estimating \$554,000 in expenditures which is a decrease of \$250,000. In review of the expenditures he continued that the City will spend \$5,600,000 making the deficit \$400,000 at end of year plus the \$526,000 transferred from other funds we will deplete \$1 million of the reserves. This resulted in a negative because the auditor placed the \$450,000 settlement in this year's budget. If expenditures are not reduced the \$3 million in reserves will be exhausted within a year and a half to two years. It is desperately necessary to cut expenditures beginning October 1, 2012. Councilman Fink stated that if we cut the legs out from under the County on the Fire Services agreement they may have to raise the taxes on every resident in the County which will be their fiscal problem not the city. Mr. Santana explained that the County has no interest in the City and should the City liquidate, the County increases their revenues \$11 million annually. The City expenditures of \$10.5 million annually would not be incurred by the County as they already have everything in place. Councilman Fink added that all City property would also revert to the county. Mr. Santana continued that the County would then be in the Utility business with an additional 3,000 customers.

Dr. Dixon stated when the previous Council thought to consolidate Fire Services the reason was because of cost. He felt the Fire Services Merger was a very bad decision because Fire and EMS save lives. He stated the merger doesn't appear to be a big savings but a bad deal that was not thought out too well. He continued that Mr. Santana has made you aware that you will deplete the reserves if some things are not changed. He suggested a residency study of fire protection. He stated, in his opinion, the residents are still receiving a good level of service from County Fire Services. He

also suggested a discussion to see what the Sheriff could provide in service consolidation which could leave the City debt free. He stated that you can discuss if there would be a savings and the Sheriff could give you numbers to off set his cost and the potential level of service would be same as in the Fire Services consolidation. He continued that other Cities find it humorous that we have an elected Marshal however if you educate the people you will see a difference. Captain Anderson responded that he has been a Police Officer for 23 years and believes that he has saved quite a few lives.

PUBLIC COMMENTS – Addressed above

COUNCIL MEMBER COMMENTS

ADJOURN

Having no further business, the workshop was adjourned at 6:55 PM.

APPROVED THIS 17th DAY OF July, 2012

By:



Keith Keene, Mayor

ATTEST:



Virginia S. Haas, CMC
City Recorder