

**AGENDA MINUTES
BUDGET MEETING
CITY OF ARCADIA
TUESDAY, AUGUST 12, 2014
5:40 P.M.**

The following minutes reflect action items of the City Council of the City of Arcadia. For a verbatim copy of the minutes, you may contact City Administration to obtain a copy of the recorded meeting.

CALL TO ORDER, INVOCATION, PLEDGE OF ALLEGIANCE & ROLL CALL

The Mayor called the meeting to order at approximately 5:40 p.m. with the following members and staff present:

Arcadia City Council

Mayor Alice Frierson
Councilmember Keith Keene
Councilmember Robert W. Heine

Deputy Mayor Joseph E. Fink
Councilmember Robert R. Allen

Arcadia City Staff

City Administrator Tom Slaughter
City Clerk Penny Delaney
City Finance Director Beth Carsten

Ms. Carsten stated that they would start with enterprise and the airport. She stated this particular budget is a little rough because they are still working on some expenses. She advised there were grants this year and both grants ended. There is one still out there for the study master plan which they haven't received any funding for. She advised she received word from FDOT regarding the lighting and they are in the process of cutting a check and we will be able to pay that loan off pretty fast. We'll be getting all of the \$500,000.00 back. Ms. Carsten advised the airport committee would be meeting on Thursday and will have items that they will be working on.

Ms. Carsten moved to the CDBG grant. She stated this was for the Community Development Block Grant and the numbers were hard numbers based on the contract so they will have \$120,000.00 over and above what the grant will pay. She stated she spoke with the engineer on it and she recommended that the contingency be put in there because there may be a chance that they won't use all of it. Councilmember Heine asked if there were new bids out and Ms. Carsten advised this was the lowest bid and it was for the Bridle Bath subdivision.

Ms. Carsten moved on to the McSwain Park budget and stated there was nothing to put into expenses for this budget. The City Administrator advised there was only one (1) certified bid and it came in well over. After speaking with Mosaic, they are reconsidering portions of the project.

Ms Carsten moved on to the Small County Surtax and advised the revenues are going from \$456,000.00 projected for the 2014 year to \$472,806.00. She advised this is where the capital improvements money goes where the bulk of it is streets. So in expenses they put the bulk of it to be in streets, but with the possibility of doing some sort of contingency for capital improvements. Discussion was made about future road work. Steve Underwood stated that at this point they are looking to identify roadways that have no utilities underneath them and maybe prioritize those roads that we could pave now at Council's direction. He also stated that the water plant is also looking to do a grant through SWFWMD to tie in our dead-end waterlines and loop them and that would cover resurfacing and getting some infrastructure fixed. Deputy Mayor Fink stated that a disinterested party needed to put it together. Ms. Carsten asked if the contingency should be left there and it was the common consensus of the Council to do so.

Ms. Carsten then moved on to the general fund and advised the revenues themselves had not changed a lot. She stated there will be a \$177,392.25 shortfall. Regarding revenues, Mike Kotzker with the Golf Course, changed his from the 30% to 27% so that brought his revenue down a little bit. There has been discussion with Linda Hinson, the mobile home park manager, regarding possibly raising the mobile home park rates and if then did a \$10.00 increase across the board, it would be a little bit under \$10,000.00 of an increase and Ms. Hinson stated she'd like to contemplate a \$10.00 monthly raise in rates and raise it \$10.00 every year over the next three years so it doesn't hit them all at once. Over three (3) years, it will be a \$30,000.00 increase. She stated that could potentially raise the revenues a little bit. She advised the water is a part of what they pay for so this will be a little bit of an offset for that. Mayor Frierson asked if they were talking about it taking effect immediately and Ms. Hinson stated they would need a ninety (90) day notice. Ms. Carsten stated it could begin at the beginning of the 2015 year which would cover the three (3) month notice. Councilmember Heine asked what they pay now. Ms. Hinson advised right now on the south side of the park is being charged \$171.00 a month and the north end of the park is \$165.00 a month. Mayor Frierson asked what was the reason for the difference. Ms. Hinson advised she thought most of the mobile homes in the north end are older and have been there a lot longer. The south end has the new mobile homes. Discussion was made regarding a doublewide being charged the same as a singlewide. It was the common consensus that since a doublewide covers two (2) lots; they should be paying for two spaces or at least more than a singlewide. Mayor Frierson suggested that after budget time, maybe they could deal with this. Ms. Hinson stated they needed to re-write the perspectives in order to indicate that. Deputy Mayor Fink asked that since this is in the budget, can they change it after budget or should it be changed with the budget. It was agreed that they could amend the budget. Ms. Hinson pointed out that would be another ninety (90) day notice because anything they do, they have to give a ninety (90) day notice. Mayor Frierson suggested it all be done at the same time. It was agreed to hold off for now until it could all be looked at at one time.

Ms. Carsten advised that she had a chance to speak with Rae Dowling regarding the Florida Power and Light franchise to ensure she was putting the right amount in the budget and Ms. Dowling believed it would be very close to the \$400,000.00 amount for next year.

She asked Council if they wanted to go through the expenses. She said the only changes that had really been made, with the exception the department heads really came through and tried to trim down where they could, was the health insurance, personnel wise. \

It was decided to move on to water/sewer regarding projected estimated year-end numbers for 2014. Ms. Carsten advised these numbers had been reviewed thoroughly and she felt pretty good about where they are at for the end of the year. The adopted budget for water/sewer was \$3,763,700.00 and right now they are projecting to end the year at \$3,147,996.00. She advised if that happens, that will be with making the \$620,000.00 reserve. She stated they also have money that is contingency money that will be able to cover a couple of things that they will be short on because the US widening project was never put in our budget which is almost \$50,000.00. She advised it would cover that and whatever happens with the issues we've had the last couple of weeks because we don't know where we're going with the FDOT, if we're going to have to pay those. It will cover that and still leave us \$615,000.00 in the good after our reserves are made. That money will be in the fund balance. She asked if they could use that money to make up the difference that will be in the water/sewer this year because the expenses will be more than the revenues for the 2015 year. She stated that some of the reasons the expenses have gone up is because they had loan payments that were going from none this year to double next year and things like that. Mayor Frierson asked if she had an estimate of what it will be and Ms. Carsten stated she thinks it will be difference of \$218,000.00 which is based on what they increase which is based on where we end up this year. She advised it could be higher. Councilmember Heine stated that if we have the funds, we should do it. Mayor Frierson stated that she didn't know if we had a choice. Deputy Mayor Fink stated that if it was legitimate to move it, he didn't see a reason not to.

Ms. Carsten stated that it is her understanding that over the years the general fund has funded water a lot. She advised they're already on a loan program where the water/sewer is paying back general fund \$53,000.00. She asked if they could pay back a higher amount if they had it in there and maybe make the shortfall in general fund. She asked if that was an acceptable practice. Council agreed by general consensus. Councilmember Heine asked about the auditor and Ms. Carsten advised that she had discussed it with them. Deputy Mayor Fink stated that as long as they find it legitimate, he didn't see why Council couldn't. Ms. Carsten stated this is a tight budget, it is a workable budget. She felt if they would get through this revenue bump this year, she felt next year will be better. She advised that for the most part, they had kept within where they were last year. Mayor Frierson stated the departments did a great job. She stated it was so tight last year, she questioned whether they would be able to do it, but they did an excellent job of it. Deputy Mayor Fink stated they had originally scheduled two (2) budget workshops and then they had gone to two (2) more. He stated he didn't think they needed to have the extra one. Ms. Carsten advised the first hearing will be September 16, 2014. She asked if they would want to look at anything before that meeting. Deputy Mayor Fink stated that only if anything changes. Ms. Carsten advised some things will change such as the numbers with the health insurance. Deputy Mayor Fink advised that she could provide Council with copies of it. Ms. Carsten stated the first meeting will be on an actual Council meeting night on September 16, 2014 and the final hearing will be on September 30, 2014. The City Administrator stated that they will cancel the meeting scheduled for August 26, 2014. He stated there is a regular

scheduled Council date on August 19, 2014 and another regular scheduled meeting on September 2, 2014. He further stated that the first budget hearing will be September 16, 2014, with the second budget hearing, special meeting, on September 30, 2014. He advised that all of those meeting on the 2nd, 16th, and 30th, will be on a Tuesday at 6:00 p.m. He stated that depending on the September 2, 2014 agenda is a light agenda or not, he may move the staff presentation to the regular meeting. If it's more, it will be moved an hour earlier.

ADJOURN

Having no further business at this time, the meeting was adjourned at 6:40 P.M.

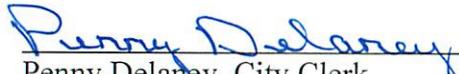
ADOPTED THIS 20th DAY OF September, 2014.

By:



Alice Frierson, Mayor

ATTEST:



Penny Delaney, City Clerk