

**WORKSHOP MINUTES  
CITY COUNCIL  
CITY OF ARCADIA  
MONDAY, JULY 19, 2010  
5:00 PM**

**CALL TO ORDER AND PLEDGE OF ALLEGIANCE**

The Mayor called the meeting to order at 5:00 PM with the following members and staff present.

**Arcadia City Council**

Mayor Roosevelt Johnson  
Councilmember Sharon Goodman  
Councilmember Lorenzo Dixon

Deputy Mayor Robert Heine  
Councilmember Keith Keene

**Arcadia City Staff**

City Administrator Lawrence Miller  
City Marshal Charles Lee

City Recorder Dana Williams

The Pledge of Allegiance was recited by all.

The City Administrator stated that everyone had been provided a copy of the draft budget relative to the City's financial position and that included in it was a recommendation to retain the current millage of 8.0899. He continued the budget projections are based upon having a balanced budget in a total amount of \$5,873,740 for Fiscal Year 2011 which is down from last year's budget of \$6,263,095 demonstrating a reduction of \$589,355. The Administrator went on to say the 9% reduction could be handled as an across the board approach or by having each department reduce their respective budgets "surgically." He reported the former Finance Director had chosen the latter approach by requesting department heads make reductions of 7% to their departmental "Other Than Personal Services (OTPS)" budget and that she had handled the personnel services aspect of their budgets relating to salaries, taxes and benefits. The Administrator added there is an anticipated 12% increase in healthcare costs for the coming year as reflected in personnel services.

The City Administrator continued he had met with each department head, explaining a reduction in resources and that the reduced budget would equate to no raises or cost of living increases for the coming fiscal year. Dr. Miller went on to explain that salaries have been stagnant for the past few years and the only manner employees have had to receive supplemental earnings was through the buy back of vacation and sick leave and through overtime. He noted that federal law provides for exempt and non-exempt status of employees and that managerial staff (exempt employees) are not supposed to receive overtime or compensatory time; and that in order to be in compliance, he is proposing to eliminate both.

In order to move forward with some flexibility, the City Administrator presented three options:

1. To reduce the police department budget by at least 5% from last year's budget and reducing costs in OTPS. This would include elimination of the vacation buy back option while revamping the sick leave buyback program, which combined accounted for \$30,273.90 in FY-10.

2. To reduce the overall budget of the Executive and Finance Departments by 5% and the police department by 0.0163% from FY-10. This would include initiatives to increase salaries of employees through a merit increase program but eliminate the overtime and buyback programs. A merit program, based on an annual evaluation, would provide incentive to and reward the employee for doing a good job as well as be a change agent within the city for cost consciousness, charging employees with reducing consumption (electricity, fuel, etc). This option would also bring the City into compliance with federal law regarding exempt employees. Further, each department head would be responsible for the oversight of their departmental budget.

The City Administrator also discussed having an energy audit done, noting the city had spent \$34,000 in the past month on FPL charges, which he hopes to reduce by half. He also briefly mentioned implementing the requirement to obtain competitive quotes for purchases.

3. The third option would be to employ the budget as projected by the former Finance Director with minor adjustments centered on reducing costs and employing a salary increase based upon merit as warranted by an annual performance evaluation.

Discussion followed on the various mechanisms to reduce costs mentioned. The council seemed to be in agreement with having the energy audit done, as well as implementing a grade/step scale with merit incentives and eliminating both overtime and the buyback programs. Questions and clarification for several departmental line items were reviewed.

The Marshal stated he had yet to have the opportunity to go over his budget with the Administrator; however he wanted to point out that although it does not appear to have been reduced, it was in fact lower this year. He explained the reductions as:

- Two (2) eliminated positions, currently vacant which will not be filled for a savings of approximately \$110,000
- Two (2) eliminated crossing guard positions for an approximate savings of 11,512
- \$88,000 which is shown as an expenditure but is actually money provided to the City by the State for the Police Pension Fund

The Marshal also questioned whether the \$15-18,000 received as a result of towing collections is reflected in the budget.

Councilmember Keene asked the Marshal how the overtime budget was working in his department. The Marshal responded that for the most part, the police department was able to reduce overtime through flexibility and allowing officers to clock out; however there were situations when overtime was unavoidable such as parades and special events. He also noted the Code Enforcement budget takes a hit in that the Special Master's salary and certified mailings expense is reflected there.

Councilmember Dixon was surprised to learn the Council's directive for a Special Master was an expense of the Marshal's budget. The Marshal confirmed it was and mentioned even though there was no impropriety, there could be the perception of a conflict of interest. Dr.

Dixon went on to say the Special Master should be a line item in an account separate from the Marshal's budget; but that he did like the idea of \$100,000+ reduction from the law enforcement budget overall.

Councilmember Keene pointed out that no one wanted a loss of service, and that he felt Dr. Miller's option #2 was the most viable.

Discussion turned to options for annual and sick leave. The City Administrator stated his experience was a "use it or lose it" policy after the maximum accumulation had been reached; but that he would like feedback from the Council. The Mayor, Councilmember Goodman and Councilmember Keene agreed that was their experience as well. The City Recorder discussed the sick leave policy as it currently exists. She explained the amount of time required to accumulate sick leave which would qualify for the buyback program coupled with the meager payout rate upon separation from service, provides very little incentive for employees - particularly new or lower paid employees - from banking and not abusing their sick leave. The topic turned to the possibility of implementing a wellness program for routine health maintenance and/or equalizing/increasing the payout rate upon separation in good standing.

Dr. Dixon felt even with the proposed reductions it didn't seem as though the budget as presented was sufficient to make up the \$500,000 deficit. The City Administrator answered the budget as presented by the former Finance Director did take into account that deficit by way of making cuts across all departments. He added that some things cannot be calculated exactly such as the collection of revenues, currently projected at 95%, or the specific figure for health care increases, but that with the changes noted by the Marshal, the city may be farther along than initially thought.

Clinton Burton, with the Sun-Herald paper, asked about the increase in salaries as noted in certain departments (e.g. Streets, Solid Waste) and whether that was a result of the longevity pay discussed earlier. The City Administrator said he would have to look specifically what comprised those numbers but felt much of it was employees shifting from one department to another and not currently being accounted for correctly.

#### ADJOURN

Having no further business at this time, the meeting was adjourned at 6:12 PM.

APPROVED THIS 20<sup>th</sup> DAY OF JULY 2010.

By:



Roosevelt Johnson, Ed.D., Mayor

ATTEST:



Dana L.S. Williams, CMC, City Recorder