

**FRUITLAND PARK CITY COMMISSION BUDGET SESSION MINUTES
AUGUST 18, 2011**

MEETING STATISTICS. A budget session of the Fruitland Park City Commission was conducted in the Commission Chambers of City Hall, 506 West Berckman Street, Fruitland Park, Florida on Thursday, August 18, 2011 beginning at 6:30 p.m.

INVOCATION AND PLEDGE OF ALLEGIANCE. Pastor Blanchard of the First Baptist Church of Leesburg delivered the invocation followed by the Pledge of Allegiance led by Mayor Bell.

ROLL CALL. Mayor Bell asked City Clerk Diane Gibson Smith to call the roll.

ELECTED OFFICIALS PRESENT. Commissioner John L. Gunter, Jr., Commissioner Sharon Kelly, Commissioner Jim Richardson, Vice Mayor Albert O. Goldberg, Mayor Christopher J. Bell

MUNICIPAL OFFICIALS/OTHERS PRESENT. City Manager (CM) Ralph Bowers, Police Chief (PC) Terry Isaacs, Assistant Police Chief (APC) David Borst, Public Works Director (PWD) John Bostic III, City Treasurer (CT) Jeannine Racine Michaud, Community Development Director (CDD) Charlie Rector, Recreation Director (RD) Sherry Bechtel, and City Clerk (CC) Diane Gibson Smith.

01. RECAP OF PREVIOUS NIGHTS

CT Racine Michaud reviewed the changes made to the proposed budget during the previous nights. The net decrease was \$39,065. Also three positions are not being funded – vacant Library position, vacant Public Works position, a Law Enforcement position.

Mayor Bell noted the last proposed amount was 4.777 mills. The savings did not include any bonuses for the employees. At 4.3600 mills, an additional position would need to be unfunded and then there would approximately \$8,000 left. At 4.3284 mills (a 4-1 vote needed), the shortfall would be \$3,503 with positions unfunded and no employee bonuses.

Commissioner Richardson asked about cutting the legal bill.

CM Bowers suggested looking at the table of taxable values prior to making any decisions. He noted the taxes received have been reduced by nearly \$200,000 in four years.

Mayor Bell noted even at 4.36 mills the City will need to declare a tax increase – anything above the rolled back rate of 3.9134 mills is a tax increase.

Commissioner Richardson stated you would rather cut a position rather than decrease the contingency fund.

Mayor Bell noted there are certain things that are needed for the health of the City and to be ready for things that come up, the City needs to have a contingency fund so to answer your question, yes.

CM Bowers and CT Racine Michaud stated the contingency has been used to cover the revenues which came up short.

Commissioner Richardson stated since there is no “fluff” in the revenues, he would be okay running the City with no contingency and taking it out of reserves if needed.

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Mayor Bell stated the reserves are down and we have been advised to have more in reserves. We have taken funds out of reserves for the past few years, and now we need to not reduce them anymore.

A concerned citizen questioned if revenue go down by 21%, should expenses also go down. CM Bowers and Mayor Bell stated that is not the case. The City must still provide the services. CT Racine Michaud noted the budget has been reduced.

Mayor Bell stated the millage of 4.777 being suggested means most citizens will pay the same amount of taxes as last year.

Commissioner Richardson again asked about cutting the attorney's fees. Mayor Bell stated he would not like to cut the rates until a discussion with the attorney had taken place. We are committed to negotiate with our attorney to try to get the fees down.

CM Bowers stated a new way of tracking attorney's fees is being reviewed. Projects will be approved prior to being worked on.

Mayor Bell stated at 4.777 mills there is money in the budget to give employees a bonus. Anything below that millage, no funds will be available for the employees. A few years ago, a change was made in the approval process for millage where anything above the rolled back rate now requires a unanimous vote. Below that would require at least a 4-1 vote.

A discussion regarding the millage and voting ensued. CM Bowers noted our citizens have expectations of services they receive from the City and changes in legislature have made it difficult to continue.

Commissioner Richardson noted not wanting to cut the contingency fund and take funds out of the reserves, means a position will be terminated.

Commissioner Gunter questioned what percentage of our revenue comes from ad valorem taxes. CT Racine Michaud stated approximately 19%.

Commissioner Gunter noted the ad valorem taxes don't even fund the Police Department. Other income is needed.

CM Bowers stated every citizen has an expectation when it comes to Police and Fire Service. We work alongside other departments in mutual aid. State government is taking more and more money from the local governments and making them go to citizens to be able to provide the same level of service.

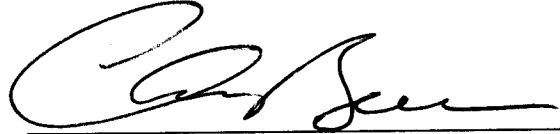
Commissioner Richardson stated, for the record, the story will not be that someone was terminated and no one got a raise because he would not accept 4.777 mills. He noted it would be a culmination of him not willing to go to that millage and the rest are not all willing to bend.

Commissioner Gunter stated we need to review the City Attorney's expenses and the City Engineer's fees.

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Mayor Bell suggested we start the millage at 4.777 mills and then lower (if possible) as additional savings can be found. Four commissioners were in favor of this as the starting point and one was against.

02. ADJOURNMENT. There being no further business to discuss, Commissioner Richardson moved to adjourn. The meeting adjourned at 7:20 p.m.



Christopher J. Bell, Mayor

Attest:



Diane L. Gibson Smith, CMC, City Clerk