

**BUDGET ADVISORY COMMITTEE MEETING
December 15, 2003**

1. ROLL CALL

The meeting was called to order at 5:30 p.m. Present at the meeting were Committee Chair, Dr. Kerry Waldee, Secretary Scott Spages, Dan Barr, and Finance Director, Bill Underwood, with Dr. Bob Preziosi arrived at 5:55p.m.

2. APPROVAL OF MINUTES

A motion was made by Scott Spages, seconded by Dan Barr, to accept the revisions to the July 14, August 4, 2003 and August 21, 2003 minutes. In a voice vote, all voted in favor. (Motion passed 3-0)

A motion was made by Scott Spages, seconded by Dan Barr, to accept the November 17, 2003 minutes. In a voice vote, all voted in favor. (Motion passed 3-0)

3. OLD BUSINESS

3.1 Space Needs Study

Kerry Waldee advised that he had read the Space Needs Study report and was not sure if the Land Use Plan mentioned was the most current. Dan Barr felt the Town had spent a lot of money developing the study and that the absence of a Land Use Plan made it a moot point. He felt it was important that the study mirror the Land Use Plan whether or not the current Land Use Plan in effect would support the infrastructure. He felt that if this were not the case, the Land Use Plan needed to be changed. Kerry Waldee felt that if the Town continually strayed from the Land Use Plan, then no one could continue to make any assumptions. Dr. Waldee advised that a major factor in the Space Needs Study was that the largest increase in staff positions was in the Police and Fire departments. He stated that the Police Department had its own facility, while the Fire Department would soon have its own facility. Scott Spages questioned how the Committee knew about the Fire Department's new facility. Bill Underwood advised that the capital budget included an item referring to the Fire Administration/Public Works offices, which showed that the Town had hired an architect to design this facility, which would be located on Orange Drive. Scott Spages disagreed with Dan Barr's comments on the Study, and stated that he felt that the study was good regardless of whether the Council worked exactly by the Land Use Plan. He felt it was a good benchmark of what the revenues and expenses were. He felt it could be adjusted as Council took positions on different pieces of property. He commended the author of the PMG report. He felt the Committee should make some sort of statement or analysis to the Town Council regarding the condition of facilities. He questioned why the new Fire Department would not be part of the three stations outlined. Kerry Waldee asked Bill Underwood if the combination of Fire Department/Public Works included vehicle maintenance. Scott Spages indicated no, as both were located currently on the same piece of property. He stated that in a conversation with the Fire

**BUDGET ADVISORY COMMITTEE MINUTES
DECEMBER 15, 2003**

Chief, the Chief had questioned why he had to budget to be a part of the Public Works building. He advised that the Chief had also stated that he desired to be on the same property as the Police Station, versus Public Works, due to concern about natural disasters or emergencies. He also advised that the Chief had felt it might be more economical for the Fire Department to be part of one of the new stations. Dr. Waldee asked how the Fire Chief knew what his space needs were, with regard to design for the new facility. He questioned where the square footage or building size came from. Scott Spages suggested having the author of the study meet with the Committee to answer their questions. He suggested a joint meeting with Planning and Zoning to achieve this. He reminded the Committee about previous suggestions for accommodating Town. He stated that he wished for the Committee to look ahead regarding space needs, and not simply deal with space issues as they came up. Kerry Waldee felt some assumptions about revenue and number of employees were necessary and that the plan could be used as a foundation for the Committee. Dan Barr felt the space study should have been done before and should include a time component. Scott Spages disagreed with Dan Barr's earlier statement and voiced the opinion that the report was valid and gave the Committee a starting point for the Committee to project into the future. Dan Barr felt that if and when changes to the Land Use Plan came up, their impact would need to be immediately be worked into the plan. Scott Spages agreed and suggested that whenever the Council needed to vote on an ordinance, that the cost impact on the Land Use Report be reflected. Scott Spages made a motion, seconded by Dan Barr, to make a recommendation to the Town Council, that all future votes to be taken on land use items include a line item which stated how the revenue stream to the Town would be affected, as related to the Town's [Build Out Report](#) currently being discussed. In a voice vote, all voted in favor. (Motion carried 3-0).

Kerry Waldee suggested approaching the Town Administrator with questions about the report. Scott Spages suggested having Town Administrator Willi come in to speak with the Committee on these issues.

3.2 Community Endowment Update

Bill Underwood advised that the Community Endowment Fund began in 1992 when the Town bought all employees out of the existing pension plan that resulted in a savings of \$2.57 million, which was rolled into the Community Endowment Fund. He referred to page 18, which reflected a \$781,000 loss from the Fund. Bill Underwood advised the Committee that this loss was from the year 2002. He advised that the fund was now up to \$5.8 million. He stated that he was continuing to do research on legislative uses for the funds over the years.

The meeting was briefly interrupted by the arrival of Vice-Mayor Susan Starkey and Bob Preziosi.

Vice-Mayor Starkey asked the Committee about the financial impact on the Department Head Pension Program, as it was on the Agenda for that Wednesday. Bill Underwood advised \$71,000. Vice-Mayor Starkey stated she wished to discuss this and would read

**BUDGET ADVISORY COMMITTEE MINUTES
DECEMBER 15, 2003**

the back up information shortly. She felt a trust should be established, along with a Board of Trustees, instead of just one person.

Scott Spages advised that at a previous Council meeting where these funds were discussed at length, he learned that the Town was the only town which completely funded its Police Athletic League (PAL) program. He advised that the Committee was currently questioning what should be done with the funds as they were taxpayers' money. He suggested having a separate board to oversee distributing portions of the funds. Bill Underwood advised that previously the fund was set up as a trust fund and was later changed to a basic Community Endowment Fund. He felt that as a fund, it might be open to any legal or governmental purpose. Kerry Waldee asked what had been done with the fund over the past 12 years. Bill Underwood advised that over the past 3 years the funds had been distributed among charitable organizations. Scott Spages wished to discuss what the Committee could do with those funds. Bill Underwood wished to discover how and why the fund was changed from a trust. Kerry Waldee suggested inviting the Town Administrator to a Committee meeting to discuss this item also.

4. NEW BUSINESS

4.1 Discussion of the PMG Study.

The Committee members agreed that much of this item was previously covered under the Space Needs Study discussion. Scott Spages again wished to have someone who prepared the study address the Committee. He had questions about a table on page 31 of the study. The Committee members reviewed the table and further discussed it together. Kerry Waldee stated that he would go back to Councilmember Paul to discuss the Land Use Plan. He suggested that other Committee members go back to their individual Council Members to further discuss this. He was unsure what factors were involved on the current study to designate land use. Kerry Waldee advised Bob Preziosi about the motion which was passed on the Space Needs Study item. The Committee members further updated Bob Preziosi on the earlier discussion on the Space Needs Study.

4.2 Review Draft Financial Fund Reports for FY 2002. Bill Underwood reviewed individual items on the Capital Budget balance sheets, with regard to the Town's business operations for 2002. He referred the Committee to the General Fund balance sheet, page 19, which reflected a positive figure of \$419,000. He advised that the Community Redevelopment Agency had \$171,000, while the Community Endowment Fund was down by \$1 million. Scott Spages asked about a \$6.5 million figure. Bob Preziosi referred to a \$6.5 million figure and asked whether it was available as a reserve fund. Bill Underwood indicated yes and stated that he hoped to add another \$1 million in 2003. He also went over pages 62 and 63 and explained the distribution of the Town's Internal Service Fund. In addition, Bill Underwood referred to \$5.1 million with relation to vehicle maintenance. Bill Underwood further clarified the breakdown of the \$6.5 million further. He asked the Committee members to discuss any questions with him further. Bob Preziosi voiced his concern about generating more revenue to keep up with rising costs.

**BUDGET ADVISORY COMMITTEE MINUTES
DECEMBER 15, 2003**

4.3 Discuss Department Director Presentations. Kerry Waldee referred to previous discussions regarding inviting different Department Directors to address the Committee to give an overview of their individual department budgetary needs. Bob Preziosi stated that each Committee member met individually with their department heads. Bill Underwood felt it was important to know all department issues involved when the time for budgeting arose. Scott Spages felt it was important to have all department heads talk to the Committee about their budgets. Kerry Waldee asked for further clarification about Vice-Mayor Starkey's earlier question. Bill Underwood advised that he had been previously asked to investigate the possibility of providing a pension plan for the Town. He stated he was working on drafts of a plan and had so far encountered several variations of possible plans. He advised that he had eventually arrived at a tiered plan somewhat modeled on the Florida Retirement System, which provided a higher benefit to employees. He stated that its future impact on the budget would be about \$74,000 and that the plan was on the agenda for the Town Council discussion. He advised that some Town employees felt that the Town had not shown them much respect over the last decade.

NOTE **

(Audio tape ended on side 1 and contained no further voice recording on side 2) ? As no other cassette tape was provided, the minutes ended here.

5. COMMENTS AND/OR SUGGESTIONS

6. ADJOURNMENT

Date approved

Chair/Committee Member