

**BUDGET ADVISORY COMMITTEE MEETING**  
**August 12, 2004**

**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, and Committee member Bob Preziosi. Also present was Finance Director Bill Underwood. Members Dan Barr and Stephanie Bell were absent.

**2. APPROVAL OF MINUTES – July 19, 2004**

A motion was made by Scott Spages, seconded by Dr. Kerry Waldee, to accept the July 19, 2004 Minutes with noted amendments. In a voice vote, all voted in favor. (Motion passed 3-0)

**3. OLD BUSINESS**

**3.1 Fiscal Year 2005 Operating Budget**

Dr. Waldee indicated there were some recent updates. Mr. Underwood stated almost every page had changed. On the topic of health insurance, Mr. Underwood said, originally, the provider claimed health insurance would increase by 31 percent and staff had factored in this figure. At an ensuing meeting, Mr. Underwood discovered this percent was to be lowered to 16 percent or less. Therefore, he recalculated, showing savings in excess of half a million dollars, and found every department's figures had changed. Health insurance had dropped \$589,000, the police department overtime was \$300,000, and some revenue had been gained. He referred to page three of the General Fund Revenue where the transfer from self-insurance was now reduced from \$2.6 million to \$1.6 million. Mr. Underwood believed one had to have ongoing recurring revenue from year to year to pay for ongoing recurring expenses. And if expenses were not being met with the revenue, the money had to come from somewhere. He explained Davie's revenue increases were limited. Mr. Underwood noted some revenues had decreased. After more discussion, a motion was made by Mr. Spages and seconded by Dr. Waldee for a study to be done of municipal user fees in Parks and Recreation in Broward County. In a voice vote, all voted in favor. (Motion passed 3-0).

A motion was suggested by Dr. Waldee, to recommend not using the reserves of \$1.6 million to balance the budget due to its nonrecurring nature. Mr. Underwood was of the opinion, to make such a motion effective, an alternative source of revenue had to be forwarded. Mr. Preziosi sought clarification on where the \$1.6 million was located and the reasons it should be used. Mr. Preziosi asked if the \$1.6 million represented a portion of the reserve or the total reserve. Mr. Underwood answered it represented a portion of the reserve, which was approximately \$5 million. Dr. Waldee was concerned using revenue from the reserve would reduce the reserve and make the Town vulnerable if it experienced a bad year. He noticed a large portion of the budgetary increase came from police and fire pensions, which Mr. Underwood affirmed increased by about \$2.1 million. After additional discussion, a motion was made by Dr. Waldee, seconded by Mr. Preziosi to recommend to the Mayor and Town Council not to use the reserves of \$1.6 million to balance the budget due to its nonrecurring nature was made. In a voice vote, all voted in favor (Motion passed 3-0)

**3.2 Fire Assessment**

Dr. Waldee commented he could live with the Fire Assessment as he understood the Town was expanding its services. Mr. Spages understood the increase in the millage rate was tied to the drainage, requiring revenue of \$709,000. If the drainage fee had been imposed a year previously, there would be

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no increase in the millage rate. Dr. Waldee noted the tax increase of .135 was to specifically cover this cost. The budget appeared to be off by \$8.6 million at present, which Mr. Underwood concurred. Dr. Waldee inquired how much the total budget was and was told the General Fund was \$77 million, with the total budget being approximately \$102 million. Not wishing to trivialize the amount, Dr. Waldee saw little difficulty in locating \$1.86 million in the \$77 million budget. Mr. Underwood indicated this represented three percent, to which Dr. Waldee added it could not be much of a challenge if each department was asked to do a three percent cut to its budget. He felt if the Town should slow down its growth in government for a year or two to allow for time to accumulate revenue. Dr. Waldee sought to make a motion the increase in the fire service fee to specifically cover the \$700,000 fire service increase for a finite period of time. Mr. Underwood disagreed; it could not be implemented for a finite period of time as the fire service fee was an ongoing maintenance fee which continued to increase over time. He went on to say the way the Town was currently spending money would lead to future problems, and the present lack of willingness to generate more revenue served only to hurt the Town in the future. Dr. Waldee moved the fire rescue fee increase as proposed be accepted but any other tax increase should be rejected.

A motion was made by Mr. Preziosi, seconded by Mr. Spages to accept the increase in the fire assessment fee. In a voice vote, Mr. Preziosi and Mr. Spages voted to pass the motion, whereas Dr. Waldee voted against the motion. (Motion passed 2-1)

**3.3 3<sup>rd</sup> Qtr-Quarterly Reports-(not available at this time.)**

**4. NEW BUSINESS**

**4.1 Take Home Car Policy**

Dr. Waldee indicated the practice of police officers taking cars home was not cost effective for the Town. Mr. Preziosi thought it was more efficient for officers to have their vehicles on hand in order to better respond to emergencies. It was determined more concrete figures had to be acquired regarding the Town's emergency services before recommendations could be made.

**5. COMMENTS AND/OR SUGGESTIONS** None.

**6. ADJOURNMENT**

There being no further business to discuss, Scott Spages made a motion, seconded by Bob Preziosi, to adjourn the meeting at 7:05 p.m. In a voice vote, all voted in favor. (Motion passed 3-0)

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Date approved

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Chair/Committee Member