

**TOWN OF DAVIE
VISION AND GOAL SETTING WORKSHOP
APRIL 13, 2012**

1. PLEDGE OF ALLEGIANCE

The meeting was called to order at 10:10 a.m. and was followed by the Pledge of Allegiance.

2. ROLL CALL

Present at the meeting were Mayor Paul, Vice-Mayor Luis and Councilmembers Caletka, Hattan and Starkey. Also present were Town Administrator Lemack and Town Attorney Rayson and Assistant Town Clerk Roig recording the meeting.

3. VISION AND GOAL SETTING

Macciano Lewis, Assistant Town Administrator, introduced Town Administrator Lemack. Mr. Lemack described the structure of the workshop and said executive staff and employees had contributed to the recommendations. He stated he would solicit input from Council for how to focus their efforts effectively.

Mr. Lemack said they had begun the process in March and conducted three employee budget workshops. He had also held a management/executive retreat that provided additional information. The focus had been to develop creative ideas to allow the Town to meet its shortfalls.

Mr. Lemack stated they would discuss the Master Plan and Strategic Plan and their goal today was to begin the framework for the budget process.

Mr. Lemack had begun with last year's five-year forecast to set priorities. He said their priorities were continuing in economic development in order to grow the Town's tax base to maintain their level of service and enhance the residents' quality of life. Mr. Lemack stated they were marketing the Davie brand. He acknowledged they must invest in infrastructure for economic development. He said business incentives and additional tax revenues were vital components of their plan.

Mr. Lemack stated their challenges were to be fiscally responsible and to maintain the focus of their priorities. The Town had a FY 2013 \$7.9 million funding gap, and this was their main focus today.

Mr. Lewis discussed the current state of the economy and how this affected the Town's budget, specifically the mortgage crisis, the unemployment rate and job production.

Budget and Finance Director Bill Ackerman explained that the property tax reform of 2007 and the housing market crash had adversely affected property tax revenue, causing a drop in collection from \$36 million to \$30 million. The Town had responded by reducing the number of employees and departments to reduce costs and by finding new ways to increase revenues. Mr. Ackerman said pending state legislation regarding property tax cuts and exemptions could further affect the Town.

Mr. Ackerman described the overall revenues in the General Fund. He explained how reserves and revenues were used.

In expenditures, Mr. Ackerman stated personnel costs were the most expensive component and this included salaries, taxes, insurance and pensions. Mr. Ackerman explained how the five-year forecast was developed. He said they had also developed ways to monitor and measure their initiatives.

In the five-year forecast, Mr. Ackerman noted a \$7.9 million deficit for 2013 that would extend over the next five years. He stated their assumptions for revenue in the forecast: an increase in property taxes of 2.8%; an increase in new construction; a slight increase in the Fire Assessments and utility service taxes. Mr. Ackerman said in expenditures, personnel costs would increase, and he listed some of the specific increases in police and fire costs.

Mr. Ackerman outlined assumptions they had made regarding other expenses such as utilities, fuel and insurance. Mr. Ackerman explained the Town's outstanding debt service. He said the Town's financial status was still strong.

Mr. Ackerman stated their revenue options: property taxes and assessments and cost recovery for services. He said they would examine their fee structure Town-wide.

Mr. Ackerman explained to a union representative the factors they had included in the forecast.

Mr. Lewis stated their estimates were conservative and they would change as they went through the process.

Intergovernmental Affairs Manager Phil Holste explained the 10-year Capital Improvement forecast. He said this longer-range view would include completing components of the RAC and preparing the TOC for development. He said they had identified five projects to be considered for General Fund dollars for 2013: widening College Avenue; replacing the Orange Drive bridge; replacing police radios; retrofitting an ambulance and replacing some outdated fire equipment. Mr. Holste said a road improvement project for Davie Road would receive \$860,000 in grant money recently approved by the MPO. Mr. Holste explained the definition of a capital project, gave examples and distributed a timeline.

Director of Human Resources Stacey Hipsman described how they could increase efficiency and effectiveness in the Town's workforce. She stated since 2006, the Town had lost 21% of their positions. Ms. Hipsman said this had not saved them what they anticipated due to increases in health care and other costs. She described how they monitored and worked to save money in health insurance costs. Ms. Hipsman said they anticipated a 15% increase in premiums but she noted there were several modest plan options that would allow employees to maintain their premiums, including using the POS provider option and changing the co-pay schedule for services and prescriptions. They could also save costs through employees taking advantage of wellness programs.

Mr. Ackerman discussed the impact of pensions on the Town's budget. Since 1993, the cost of defined benefit plans had increased 44% and amounts paid out had increase 263%; employee contributions had increase 133%. He said they must make sure the compensation package was affordable and sustainable. Mr. Ackerman explained to Vice Mayor Luis that different plans had different returns. Councilmember Starkey was concerned that assumptions would be incorrect because historical trends were used and there was no historical economy like the current one. Mr. Ackerman said they were working with the actuarial and factual data, not just historical data. He stated over the past several years, the Town's contribution had increased for each plan. Vice Mayor Luis asked what a 401k plan would save the Town. Mr. Ackerman stated they were studying this. He said they must look at retirement benefit options going forward because pensions were one of their most costly expenses.

Mr. Lewis noted they had decreased from \$28 million to \$25 million in operating expenses; they had a low millage rate, a healthy reserve and a low Fire Assessment. They had already taken steps to reduce the budget gap and hopefully they would implement additional steps going forward.

At 11:45 Council took a lunch break.

Mr. Lemack asked if Council would like to discuss the Town's fee and special events structure. Mayor Paul suggested adding a tier for charitable organizations to the fee structures. By consensus, Council agreed to consider this. Vice Mayor Luis also asked to reconsider the alcohol ban at Robbins Lodge because people would not host weddings there if alcohol could not be served.

Mr. Lemack suggested the Town could also provide services to other municipalities and Council agreed to discuss this. Councilmember Starkey recommended looking into both long and short-term agreements. Councilmember Caletka brought up the potable water issue with Sunrise, and Mr. Lemack stated there would have to be discussion of regionalization of water and utilities.

Mr. Lemack said they could initiate residential scrap metal pickup; public works believed there was value in this as the Town could sell the objects for the recycling fees. Council agreed to discuss this.

Mr. Lemack stated the fees they charged for Bergeron Rodeo Grounds were too low and they could go through a bid process for revenue sharing with an outside management company. He noted this would exclude the Town's events. Council agreed to explore this option.

Mr. Muniz stated they could consider additional franchise fees as other towns did, for things such as exclusive cab service. Vice Mayor Luis felt the Town's towing contract was wrong and abused by the

towing contractor. He felt the Town should use the franchise agreement to negotiate a fairer fee for service. Mr. Lemack said the current agreement provided protection for residents and allowed the Town to regulate the fees, but Vice Mayor Luis believed most people did not experience this as an advantage.

Mayor Paul asked Mr. Lemack to look into recovering money for the underground gas lines. Mr. Rayson said this would require an ordinance targeted to what might be installed in the future, and could not be retroactive for gas lines already installed. Council agreed to explore this.

Mr. Lemack agreed to look into additional locations for cellphone towers. Councilmember Starkey recalled a study that identified prospective sites and an ordinance they had already passed.

Mr. Lemack suggested lobbyist registration fees, and Council agreed to consider it. Councilmember Caletka said he would like Davie to have the highest lobbyist registration fees in the state.

Mr. Ackerman explained that a Municipal Service Taxing Unit could be added to the tax bill to cover specific service costs, such as public safety or public works. Councilmember Caletka wanted to be sure this would eliminate the flat Fire Assessment. Council agreed to consider this.

Ms. Hipsman explained that healthcare regionalization would help with cost containment. Council agreed to discuss this idea.

Mr. Lemack suggested reorganizing and centralizing services to make them more efficient, specifically in Special Events and Parks and Recreation. Council agreed to hear more information on this.

Ms. Hipsman stated they had instituted a volunteer program to supplement services and they wished to expand it. Councilmember Caletka wanted to allow seniors to get credit toward their property taxes in return for volunteering. Mr. Lemack said he would explore that.

Mark Collins, Director of Public Works, described an Adopt-a-Right-of-Way program for maintenance that would reduce the Town's costs. Council agreed to this idea.

Mr. Lemack suggested changing the publication of the Davie Update by outsourcing it, putting it online or publishing it less often. Vice Mayor Luis suggested that if it were outsourced, they should accept advertising. Councilmember Caletka opposed allowing advertising, and wanted to publish more frequently. Mayor Paul suggested that allowing advertising might permit them to publish more often.

Mr. Lemack wanted to discuss a stormwater assessment. Mr. Collins said this would provide funding for future stormwater projects; they only currently budgeted for maintenance and repairs for existing infrastructure. Councilmember Starkey said she would agree to this only if the affected community paid the assessment, not the entire community. Mr. Lemack agreed to present details to Council about his concept.

Mr. Lemack wished to have a third party audit the Town's utility use with the goal of finding ways to save money. Council agreed to consider this.

Mr. Lemack stated they must discuss pension reform and Council agreed to listen to his proposals. Councilmember Caletka asked that the suggestions also be forwarded to union leadership.

Mr. Lemack asked if Council wanted to consider alternative funding sources for the CIP, other than the General Fund, such as bonds. Councilmember Caletka did not want to consider this but other Councilmembers did.

Mr. Lemack suggested recycling minerals (manure) for fertilizer. Councilmember Starkey did not want to get into importing agri-business. Other Councilmembers agreed to consider this.

Mr. Lemack said there would be a challenge providing services at Broadview Park based on costs. Council did not want to discuss this.

Regarding a new Town Hall, Mr. Lemack said they needed to make it more convenient and customer friendly, as well as more efficient. He wanted to discuss possible locations and funding options. Councilmember Caletka opposed this because the property had a 99-year tax exemption and he refused to put more land off the tax rolls. Mayor Paul opposed this as well.

Mr. Lemack reminded Council that the Town must build a clubhouse on the golf course within 18 months of demolition. He offered to provide Council with design/build options. Mayor Paul objected to

this, noting that the Town already had a lot of out-of-pocket expenses for the golf course. Councilmember Starkey felt building the clubhouse was essential to allowing the Town to make money from the golf course.

Mr. Holste said they would experience a 20-20% reduction in their solid waste assessment by 2014, resulting to a revenue loss in franchise fees. He said some municipalities had instituted a flat rate fee instead of the percentage in order to maintain the level of revenue after the fees declined. Councilmember Hattan thought residents would be upset they were paying more than the Town was for the service. Councilmember Caletka objected to this idea.

Utilities Operations Acting Director Bruce Taylor said they could use a management contract for the new water plant facility operations. Mr. Lemack said the Town would retain ownership and the management company would operate the plant at a lower cost. The Town would require that current Town employees be kept working there. Councilmember Starkey wanted Town personnel with expertise to continue to work there. A union member cautioned that this could start a move toward privatizing more Town services.

Councilmember Caletka agreed with Councilmember Starkey that Town employees should be able to run the plant. He felt this would limit movement of Town employees to other positions with the Town. He pointed out that utility revenue paid for all utility employees.

Mr. Ackerman suggested a new rate study for the water/sewer fund.

Mr. Lemack asked for other ideas from Council. Councilmember Starkey asked Mr. Lemack to look into hiring some retired officers to serve as School Resource Officers. Mr. Lemack said he had investigated the program in Pembroke Pines and found that the only savings they had realized were from reducing the workforce of officers on the road and hiring part-time people. Police Chief Patrick Lynn agreed that the only way Pembroke Pines had saved money was to eliminate positions in the Police Department. Mr. Lemack said this would widen the budget gap but he would research this if Council wished.

Councilmember Starkey wanted additional information about elimination of the PPO in the health plan. Ms. Hipsman said the six employees utilizing the PPO would not see any reduction of benefit from switching to POS.

Councilmember Caletka noted that some employees had not received raises and he pointed out that health benefits were part of the program the Town had been providing and he therefore did not want to change benefits unless it was absolutely necessary.

Councilmember Caletka wanted to coordinate benefits for employees who spent time in different departments and Mr. Lemack agreed to add this to his research.

Councilmember Caletka said the old water plant would need infrastructure upgrades and they must start budgeting for these.

Mayor Paul took the time to bring to Council an issue of a resident who incurred a very large water bill due to a main break and a leak. She had promised the resident that she would bring the issue to Council for discussion. "He is not the only resident that has experienced this. We have been very generous in assisting residents with reducing the surcharges and late fees." The Mayor stated that she explained to the gentleman that this was not something that would be retroactive. She wanted to know if the Council was interested in entertaining an amendment to the existing resolution that would put a cap on what could be charged for water leaks explained that a resident had experienced a very high water bill due to a leak and she wanted to consider an amendment to the ordinance to put a cap on what could be charged in the case of a leak. Councilmember Caletka felt this was a bad idea because this would force everyone else to pay for the overage. **Councilmember Caletka explained that it was not a good idea to make this amendment because then others would have to pay to make up for the deficit.**

Vice Mayor Luis felt they may need to consider privatizing some Town services. He said he had received an email from a resident stating that the Town often made decisions based on what was best for Town employees than what was best for Town residents. Vice Mayor Luis stated they must consider

ways to save money and not raise taxes for the residents. Mr. Lemack said Town employees had developed many of the suggestions he brought to Council. He cautioned Council not to overreact to the budget gap.

Vice Mayor Luis had heard complaints from contractors and homeowners that the Building Department should work with them when applications were denied. Mr. Lemack replied that they were looking into better coordination among Town staff to provide applicants better information. He said they could also bring in outside assistance on a short-term basis for certain projects. Mr. Lemack noted they must be cautious because outsourcing might not provide the same level of ownership that Town employees provided.

Vice Mayor Luis said Coral Springs and Parkland were considering combining their emergency services, and he said he would support working with neighboring municipalities to share any services.

Councilmember Hattan had also heard complaints regarding the Building Department and agreed that staff should follow up with applicants whose projects had been denied.

Council took a brief break.

Redistricting

Mr. Muniz stated the Town Charter required a district boundary review every five years and their last one had been in 2006. He explained that they issued an RFP for consultant services and appointed members to a committee. Council then chose among a list of alternatives approved by the committee. Councilmember Starkey supported this, and wanted to have the redistricting ready for the next Town election cycle.

Councilmember Caletka said all of the population data was available on the Metropolitan Planning Organization website. He felt that the last redistricting process had not been fair. Councilmember Caletka did not believe this was a very difficult process and that Council could handle it on its own. Mr. Muniz said the consultant had expertise and using one helped to de-politicize the process.

Councilmember Caletka wanted to begin the process as soon as possible but Councilmember Starkey wanted to wait until November.

Mr. Rayson said they might want to consider a Charter change because the legislature only reapportioned every 10 years and doing this every five years was expensive.

Election Dates

Mr. Muniz said if Council wanted to change the dates for local elections to November, they must consider changing their terms of office. Mayor Paul said she favored moving the elections to November to save costs. Mr. Muniz said the past March election had been budgeted at \$120,000 and they estimated a November election would cost \$30,000 - \$40,000.

Councilmember Starkey opposed November elections, and said she had found that municipal issues were lost among all of the other issues on the ballot. She said some municipalities that had changed to November elections regretted it because they were not seeing the participation they had anticipated. Councilmember Caletka noted that the number of people voting increased dramatically when elections were held in November. Mayor Paul recalled that March elections typically had 6 – 9% turnout. Vice Mayor Luis said people in his district preferred March elections to November. Mr. Muniz, Mr. Rayson and Council discussed how changing the election date would affect Councilmembers' terms.

Mr. Rayson said Council must reach consensus regarding changing or keeping the election date and regarding changing the individual Councilmembers term cycle. Mr. Rayson would then perform the legal research. Mr. Lemack recommended this discussion be put on a future agenda to allow the public the opportunity to speak. After discussion, he agreed to put this on Council's May 2 agenda.

Regarding redistricting, Mayor Paul felt if they kept the March election date they could begin to work on the redistricting but they should not begin the redistricting if they intended to move elections to November because it might be too confusing to anyone who would be affected by the change. Mr. Lemack said they would postpone the redistricting conversation until they had decided whether or not to

move the election date. Councilmember Caletka pointed out that this could be moot because the qualifying date was in June and this lessened the likelihood that any incumbent changing his/her election date would have a challenger. He therefore suggested they move forward with the redistricting but not make the decision until January 2013. Mr. Rayson suggested a ballot question to change the redistricting schedule to every 10 years.

Strategic Plan

Mr. Muniz stated they had expanded the Town's strategic plan. They were very close to finalizing an update to the 2010 plan and would present it to Council by May. Mr. Muniz said they would begin a new strategic plan that would be completed in September 2012. This plan would have an increased scope and would be integrated with the budget cycle. Mr. Muniz stated they would get more input from the rank and file for the new plan.

Councilmember Starkey wanted to include other stakeholders as well, and Mr. Muniz explained that additional stakeholders would be involved. He distributed a list of the Town's strategic priorities and mission statement and asked Council to review them. Council approved the existing mission statement, strategic priorities and purpose statement.

Mission statement:

- The Town of Davie strives to be the preeminent community in South Florida to live, work, learn and play, while treasuring our preserved natural settings.

Strategic priorities:

- Respecting and promoting a diverse and sustainable community and neighborhood values with consideration of our historic roots
- Commitment to customer satisfaction
- Dedication to excellence in service delivery
- Creating an environment that is conducive to innovation, creativity and collaboration
- Nurturing the health, safety and welfare of the community

Purpose statement:

- To provide leadership and excellent customer-driven services to our diverse community with integrity and respect.

Mr. Muniz said they would review departmental self-assessments and key performance indicators. During the strategic planning effort they would invite speakers to meet with staff. Mr. Muniz said they would develop a strategic priorities worksheet for Town Council agenda items that would be included in their agenda reports.

Mr. Muniz informed Council that they would be using focus groups comprising Town employees and Town stakeholders to discuss two areas: revenue enhancement/new opportunities and customer service/process improvement. He agreed that their suggestions could be presented to the Budget Advisory Committee.

Mr. Lemack thanked Council for their direction, and said he would have the information they requested prepared for the first budget workshop.

4. ADJOURNMENT

There being no further business to discuss and no objections, the meeting was adjourned at 3:47 p.m.

Approved _____

Mayor/Councilmember

Town Clerk
