

**TOWN OF DAVIE
WORKSHOP MEETING
JULY 10, 2008**

The meeting was called to order at 12:03 p.m. and was followed by the Pledge of Allegiance.

Present at the meeting were Mayor Truex, Vice-Mayor Luis, Councilmembers Caletka, Crowley and Starkey (departed at 12:19 p.m.). Also present were Town Administrator Shimun, Town Attorney Rayson, and Assistant Town Clerk McDaniel recording the meeting.

Budget & Finance Director William Ackerman summarized what had occurred during the first two workshops, and the items on which Council had agreed: maintain the current millage rate of 4.1215; implement the highway cost recovery fee; no utility tax; and maintain the current fire assessment. He stated that staff had then considered ways the budget must be cut to make up for the reduction in revenue pursuant to Council's wishes. Staff returned to Council the following day and presented a list of cuts they proposed to balance the budget. Council had directed staff to prepare a worksheet summarizing how they could restore some revenue by changing the millage rate and some other items.

Mr. Ackerman reported that at the first budget workshop, they had discussed departmental reorganization and Council had requested new organizational charts and narratives. He said that these had been provided to Council.

Mr. Ackerman recited the following updates since the last meeting and requests from Council:

- July 1st numbers from the Property Appraiser's office indicated the Town's revenue had increased, allowing them to reduce the millage rate to 4.2456
- staff had returned with a proposal to increase in the fire assessment by \$16 which would result in additional revenue of \$935,000
- revenue from the State budget had increased by approximately \$500,000
- staff was seeking to reduce expenditures by approximately \$80,000 from the take home vehicle policy
- staff had restored the potential layoffs originally suggested in Building and Engineering
- staff had restored the right-of-way mowing at a cost of \$40,000
- staff had restored the attorney's fees related to the airport expansion

Mr. Ackerman reported that staff had also:

- updated Council's worksheet for different scenarios and situations
- updated organizational charts to reflect the proposed reorganization
- updated departmental narratives
- met with all Councilmembers prior to this workshop to provide a preview
- posted this information to the Town's website

Mr. Ackerman explained that the proposed 4.2456 millage rate was higher than their current rate, but was significantly lower than the rollback rate. He noted that this rate required a simple majority vote and there was no need to advertise a tax increase. Mr. Ackerman cautioned that if they did not accept this proposed millage rate, it would result in a reduction of \$1 million in revenues. He explained that the impact on the average homeowner would be a \$75 savings. Regarding the increase in the fire assessment, Mr. Ackerman felt this was not significant.

Councilmember Starkey said that she had reviewed the current budget proposal and supported it. Regarding the increase in the fire assessment, she did not believe the increase would be enough to maintain the current level of service. She felt fire services should be funded through fire assessment and fees, not general revenue. Councilmember Starkey stated that she could support an increase of up to

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\$20. She agreed with the proposed millage rate, because she felt this was giving the taxpayers what they expected. She intended to further study and meet with Mr. Shimun regarding the proposed reorganizations. Councilmember Starkey asked to be excused to attend the Broward League of Cities meeting.

Mayor Truex asked the consultant for an explanation of how the fire assessment was arrived at and what the consequences would be for increasing it by \$16 or for leaving it as it was. Chris Wallace explained that the fire study included forecasting the fire costs and projecting what those costs would be in the future. Based upon the current level of service, he had projected to the year 2013, which was approximately \$17 million. The next step in the study involved narrowing the call data to fire-related calls and dividing the calls into categories. Mr. Wallace explained that costs were proportioned out based upon the volume of calls in each category using the Property Appraiser's data.

Mr. Wallace advised that each property owner must be advised what the maximum fire assessment could be. They had calculated the maximum rate for residential to be \$279.70 and he recommended instituting a tiered structure for nonresidential categories based on square footage and incorporating a cap. He also recommended that the notice include a question-and-answer section.

Mr. Wallace informed Mayor Truex that if they increased the assessment, they must mail notices regarding the increase. He recommended including the same maximum on the TRIM notice and on the mailing. Mr. Wallace explained they could always reduce the amount or leave it at \$104.

Vice-Mayor Luis asked how many additional firefighter positions could be funded with the \$16 increase. Mr. Ackerman said that eight firefighter/paramedics and one lieutenant could be restored to the budget with the \$16 increase. This maintained their current level of positions.

Councilmember Crowley was concerned about using the \$279 figure on the notice when Council knew they would not go anywhere near that high. He said that he would not object to advertising a rate of \$124, which he believed would carry them through the next few years; however, he did object to advertising a \$279 fee.

Mayor Truex did not object to the advertising up to the \$279 maximum fee, because this was informing the residents what the actual cost was. He noted that their costs had more than doubled, but they were only passing a small fraction of that on to the residents.

Mr. Ackerman clarified that once an amount was advertised on the notice, they could not exceed that amount until the study was redone and the residents were re-noticed. He explained that the biggest cost was mailing first-class notices, which would cost \$30,000 - \$40,000.

Councilmember Crowley asked what the projection was for the next five years with all stations built and manned. Assistant Fire Chief Frank Suriano said that until they had the workshop and presented models they did not know but estimated a new station would cost \$4.5 to \$5 million.

Councilmember Caletka opposed any increase in the fire assessment, but agreed with Councilmember Crowley that advertising a rate of \$279 would make the average resident suspicious of progressive increases. He did not believe the average resident would understand the difference between the maximum allowable and what was proposed.

Mayor Truex recommended declaring a maximum of \$130 instead of \$279. Councilmember Crowley agreed. Mayor Truex, Vice-Mayor Luis and Councilmember Crowley did not object to the \$16 increase.

Dr. George Hanbury, Executive Vice President and Chief Operating Officer of Nova Southeastern University (NSU), said that they recognized that the Town had financial concerns, and NSU had paid a fire fee, which had never exceeded \$30,000 since 1996. The last bill in November was suddenly \$375,000. Dr. Hanbury said that staff had informed NSU representatives that there had been a mistake, but the mistake was in undercharging NSU since 1996.

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Dr. Hanbury said that taxes and user fees were based on two things: the cost of administering the tax or user fee, and the relationship of the fee to the services rendered. He advised that he had researched other not-for-profit educational institutions' fees through the Property Appraiser's Office and discovered that since the fee's inception in 1996, not-for-profits had been exempted. He questioned why NSU was paying the fee. He remembered the consultant indicating that the Town had a unique classification for all higher education institutions. Dr. Hanbury pointed out that NSU was the only not-for-profit higher education institution in Davie. Mayor Truex thought Trinity International University was another not-for-profit higher educational institution.

Dr. Hanbury pointed out that no for-profit business in Davie had paid \$375,000 as NSU had. Dr. Hanbury had calculated the potential costs to respond to actual calls to NSU and he proposed payment in lieu of fire fees based upon equity instead of on square footage. He had discussed this with Mr. Shimun, and Dr. Hanbury suggested \$80,000 to \$100,000 with projected increases in the future.

Assistant Fire Chief Suriano reported that 7% of their calls were to all universities, which included Broward Community College and Florida Atlantic University.

Dr. Hanbury confirmed for Councilmember Caletka that if the fire assessment were increased from \$104 to \$120, Nova's fee would probably exceed \$400,000. Councilmember Caletka wanted to see data from the consultant and NSU before making up his mind.

Vice-Mayor Luis also wanted to see the data, and added that NSU had been a good neighbor and was vital to the future of the Town. Mayor Truex agreed, but added that the taxpayer should not have to pay for fire service to NSU. He felt that both the past fire fee and the current fire fee for NSU sounded "out of whack" and should be adjusted. Mayor Truex pointed out that drastically reducing NSU's fee could again result in the need to eliminate employee positions.

Mayor Truex referred to the spreadsheet Mr. Ackerman had prepared that showed different scenarios, and asked what the true rollback rate was. Mr. Ackerman replied it was 4.3729, which was significantly higher than the proposed rate. He informed Councilmember Crowley that the proposed millage rate would still require notice, but it would not be noticed as a tax increase.

Councilmember Caletka felt comfortable with a millage increase because it would be a tax decrease from last year. Vice-Mayor Luis favored the proposed millage rate as well. He would have liked to see more efficiency in the budget, in the form of scaling down department employees so they could afford more police officers and firefighters. Councilmember Crowley said that he agreed with the proposed millage rate as well. Mayor Truex agreed with the proposed millage rate and said that he understood why the voters had voted for it. Mr. Ackerman confirmed that with the proposed millage rate, there would be no layoffs.

Councilmember Crowley was still concerned about the take-home vehicles and felt eliminating the take-home vehicles was "hitting the employees that really need it, the actual work force... it really hits the employees that really depend on these vehicles to take them home."

Councilmember Crowley remembered Council requesting at the last meeting that the additional attorneys' fees to defend the Town against the airport expansion be taken out of reserves, but in the current proposal it was being taken out of the millage revenue. Mr. Ackerman explained that staff was anticipating additional expenditures regarding the airport expansion next year and added that it would be possible to take it from reserves next year. Mr. Shimun said that this was for the current fiscal year. Councilmember Crowley reiterated that these funds could be used elsewhere.

Mr. Ackerman requested Council's direction regarding the reorganization. Mayor Truex said that he had initially opposed this idea, but felt that "the operation in this area is totally not working, not functional in some respects." He still had misgivings, but believed this was "broken and needs to be fixed."

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Councilmember Crowley did not object to the reorganization and believed it was worth trying. He said that his first concern regarding reorganization was that departments were being shifted outside the Town Hall facility. Councilmember Crowley hoped they could keep everything in a centralized location for permit purposes. Mr. Shimun confirmed that they were only discussing the Development Services Department. He added that the physical location of the employees would not change. Councilmember Caletka said that he favored the reorganization.

After some discussion, the next budget workshop was scheduled for August 11th at 5:00 p.m. Mr. Ackerman agreed to deliver a summary of the changes and the new figures.

Mayor Truex suggested Council set aside a time to have the charities come in for questions which would avoid having the discussion sidetrack all other items as it usually did. Council agreed to schedule this prior to the second regular Council meeting on August 20th at 5:30 p.m.

There being no further business to discuss and no objections, the meeting was adjourned at 1:26 p.m.

Approved _____

Mayor/Councilmember

Town Clerk