

**BUDGET WORKSHOP  
JUNE 17, 2010**

**1. CALL TO ORDER**

The meeting was called to order at 12:04 p.m. and was followed by the Pledge of Allegiance.

**2. ROLL CALL**

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

**3. BUDGET**

Mr. Shimun said Council had instructed staff to present a balanced budget without increasing the millage rate or fire fees and doing their best to maintain levels of employment so there would be no layoffs. Mr. Shimun said they had accomplished this, and pointed out that most municipalities, school districts and states were struggling with funding.

Revenues

Mr. Shimun stated property values had decreased, resulting in a net revenue reduction of \$2.8 million. There was also a \$750,000 reduction of State-related revenues and an increase in administrative fees from utilities of approximately \$300,000 which to related fee increases for water and sewer that Council had approved over the last couple of years. They had also seen a \$400,000 increase in investment earnings. Mr. Shimun said when the contract with Wheelabrator came back; he anticipated a \$1 million bonus and the Seminole Compact revenue share would be approximately \$150,000. Mr. Shimun stated overall, there was a \$1.73 million decrease in the budget over the last year.

Millage Rate Options

Mr. Shimun said the first option was to maintain the current rate: 4.8. By a simple majority vote, Council could increase the rate to 5.1465 with no advertising of a tax increase, which would bring in an additional \$2.1 million. By a 2/3 majority vote, Council could increase to the roll back rate up to 5.1927 with no advertised increase that would net an additional \$2.45 million.

Mr. Shimun explained that since he had started with the Town, the millage rate had decreased for two years and Council had increased the rate slightly last year. He stated Davie ranked 19 out of 32 in the Broward County municipalities in millage rate, and he anticipated they would fall further down the list as municipalities probably increased millage rates.

Regarding fire fees, Mr. Shimun said there were 25 municipalities that assessed this fee and Davie currently ranked 17. He anticipated they would fall further down in this ranking as well when other municipalities went through their budget process and increased fees.

Mr. Shimun said the past few years had seen a decrease in population with the closing of Palma Nova and loss of population in the entire State due to the economy. He pointed out that some State shared revenues were based on population, but remarked that a decrease in population justified a slight decrease in services.

General Fund Expenditures

Mr. Shimun said in the coming year, they were proposing an increase in employee expenses due to labor contracts. Operating expenses would decrease slightly; capital outlay and debt service would remain about the same.

Mr. Shimun said each department had been directed to reduce its budget by a certain percentage. The police department had increased, due to the union contract and the fact that they believed they could cut no positions in that department. Mr. Shimun said they had trimmed everything possible from the budget. He explained personnel costs in this budget, which positions had been eliminated and/or transferred.

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Mr. Shimun said they had reduced contractual service and maintenance expenses. They had also looked at discretionary expenses and removed \$205,000 for public works emergency repair funds from the budget. If they needed funds, staff would request Council make the funds available out of reserves.

Mr. Shimun said Capital Improvements were not in the budget; staff would request Council transfer any amounts up to \$2.5 million out of reserves to cover capital expenses. He said this was the appropriate place to use reserves, to finance one-time expenditures.

Mr. Shimun said Council could discuss a water utility tax and red light cameras as revenue options.

Budget and Finance Director Bill Ackerman explained they had used \$1.9 million from the reserves for the CIP and \$7 million in budget amendments in the current year. He estimated reserves would be \$18.5 million after this fiscal year. Mr. Shimun said the two police vacancies were for officers. Councilmember Caletka was concerned about this because some police officer felt they were operating at a bare minimum already. Councilmember Caletka did not feel it was worth \$25,000 to close the Betty Booth Park pool, which was well used. Councilmember Caletka favored eliminating or postponing some capital improvements and using those funds to maintain a Police officer or to keep the pool open. Mr. Shimun warned that reserves should not be used for ongoing expenses. Councilmember Caletka stated he opposed a utility tax and red light cameras. Mr. Shimun said if Council wanted to keep the Police officers or the pool, they would need to eliminate “real programs” in order to justify that. Councilmember Caletka was concerned that the State would hold onto the \$150,000 from the Seminole compact, and noted that the State could wait until the next fiscal year.

Councilmember Luis referred to the pension costs, and asked why costs had changed. Mr. Shimun said the differences were due to how the funds had performed in the market, and the fact that the Town had to make up the difference from the General Fund.

Mr. Shimun explained to Councilmember Luis that Weston’s millage rate was lowest because they were a contract city. He stated virtually all maintenance was performed by homeowners associations and the city only paid for police and fire. He remarked that Weston had one of the highest fire rates. Homeowners in Weston paid a low millage rate but very high homeowners association and fire fees. Mr. Shimun believed that average expenses to live in Weston were higher.

Mayor Paul was encouraged that Mr. Shimun had presented a balanced budget with no increase in the tax rate or fire fee and no layoffs. Mayor Paul wanted to move forward with red light cameras but opposed a utility tax. She wanted to find a way to maintain the two police officer positions. Mr. Shimun stated they could consider increasing the millage rate; at the current proposed rate, they were still decreasing people’s taxes.

Vice-Mayor Starkey said the budget was put together very well and thanked staff. She was concerned about some of the cuts, specifically in police and maintenance, and wanted to “look at some other ways of looking at some of the budget...” Vice-Mayor Starkey wanted to move forward with red light cameras but did not want to increase the utility tax. She said she did not like taking CIP out of general fund reserves and wanted further explanation of this.

Mayor Paul commended staff on the number of grants they had found; she felt this would be their largest source of additional revenue.

Councilmember Hattan thanked staff for the budget. She was in favor of moving forward with the red light cameras but opposed the utility tax. Councilmember Hattan suggested Council hold as many budget workshops as possible to refine the budget prior to the public hearings.

The next budget workshop was scheduled for July 20<sup>th</sup>. Mr. Ackerman said staff would prepare updates to the budget and the options Council had asked about. He suggested a Community Endowment Workshop prior to the August 4 Council meeting. Council determined they did not wish presentations at

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the workshop. Vice-Mayor Starkey requested that the pension updates be presented in colored sheets to make them easy to identify. Mr. Ackerman agreed to provide a summary of the changes.

Councilmember Hattan asked Parks and Recreation Director Dennis Andresky if the Pine Island pool ever closed. Mr. Andresky said it was only closed on Sundays from October through May. They were looking at closing the public use at Betty Booth for March, April and May. He said it was used by residents and Swim Central.

Budget hearings were scheduled for September 8<sup>th</sup> and September 22<sup>nd</sup> at 5:01 p.m.

**4. ADJOURNMENT**

There being no further business to discuss and no objections, the meeting was adjourned at 1:16 p.m.

Approved \_\_\_\_\_

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Mayor/Councilmember

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Town Clerk