

MINUTES OF THE BUDGET TASK FORCE MEETING
HELD ON MONDAY, JUNE 21, 2010
CITY HALL COMMISSION CHAMBER, 210 SAMS AVENUE
NEW SMYRNA BEACH, FLORIDA

Having been duly advertised as required by law, the meeting of the Budget Task Force of the City of New Smyrna Beach, Florida, was held on Monday, June 21, 2010, in the City Hall Commission Chamber, 210 Sams Avenue, New Smyrna Beach, Florida.

Chairman Housley called the meeting to order at 4:00 p.m. and the following answered present to the roll call:

Chairman Jack Housley
Vice Chairman Larry Miller
Member Dennis Higginbotham
Member Richard Rush

Also present were: City Manager Pamela Brangaccio; City Attorney Frank Gummey; Assistant City Manager/Public Works Director Khalid Resheidat; Police Chief Ron Pagano; Fire Chief Dave McCallister; Parks and Recreation Director Elizabeth Yancey; Planning Manager Gail Henrikson; Acting Finance Director Althea Philord; and, City Clerk Johnny Bledsoe. Member Trey Peterson was absent. Chairman Housley welcomed Member Rush as a task force member.

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APPROVAL OF MINUTES – Chairman Housley reported that meeting minutes were not yet prepared and would be mailed to members prior to the next meeting.

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TASK FORCE MEMBER COMMENTS:

Chairman Housley commented on the encouragement received with staff efforts to reduce the budget deficit, and encouraged urgency in delaying nonessential expenditures by the City. Chairman Housley was encouraged with discussions with labor unions and issues that made impacts on City costs. Chairman Housley welcomed Richard Rush as a member of the task force.

Vice Chairman Miller and Members Higginbotham and Rush had no comments.

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GENERAL FUND DEPARTMENTS:

Chairman Housley distributed and outlined a matrix regarding the highest priority recommendations on a list of employees' suggestions, as discussed at its previous meeting, June 7, 2010. City Manager Brangaccio outlined the task force "top ten" priority list from employees' suggestions, and employee recommendations from the City Employee Budget Committee.

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Public Works – Public Works Director Khalid Resheidat gave an overview of cost reduction measures taken for City Public Works Departments, which included the Public Works Administration, Streets, Building Maintenance and Stormwater Divisions.

Chairman Housley questioned budget comparisons of the Streets and Stormwater Divisions. Mr. Resheidat commented on efforts to obtain grant funding, which resulted in what appeared to be discrepancies in the budget. City Manager Brangaccio commented on grant funding associated with Phases I and II of the Central Beach Stormwater Project.

Member Higginbotham questioned whether City departments were required to obtain permits for in-house projects. Mr. Resheidat clarified that permits on all in-house projects were obtained.

Chairman Housley felt core responsibilities of the City included police, fire and streets. He supported the past decision to outsource street sweeping operations and suggested there were many more opportunities to reduce costs by outsourcing in the City. Mr. Resheidat commented on the need for caution in outsourcing services in order to avoid overpaying for services that otherwise could be done in-house more cost effectively.

City Manager Brangaccio commented on staff analysis conducted regarding the purchase of fuel. Mr. Resheidat outlined current City fuel operations and research on possible future cost saving measures through the consolidation of fuel operations with the school board and Volusia County. Ms. Brangaccio commented on current considerations being taken regarding possibly piggy backing a current Volusia County contract regarding consolidation of services for consideration for future budget years, and commented on how Volusia County saved money through such consolidation.

Chairman Housley commented on possible future alternatives to consider regarding solid waste services. Mr. Resheidat commented on recent discussion with the current solid waste and recycling contractors regarding future services and commented on past surveys conducted regarding how citizens felt regarding such alternatives. Chairman Housley commented on semi-fixed costs and semi-

variable costs regarding public works operations and requested information regarding such comparisons.

Vice Chairman Miller questioned the disposition of old City street sweeping equipment. Mr. Resheidat clarified that there were two pieces of street sweeping equipment. He advised that one piece of equipment was sold at auction and the second piece of equipment was maintained for use during special events.

Member Rush questioned what he felt appeared to be discrepancies in reported expenditures for the stormwater utility. Mr. Resheidat clarified the different types of grant funding obtained for stormwater projects. City Manager Brangaccio advised a report would be provided that outlined grant funding received.

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Parks and Recreation – Parks and Recreation Director Elizabeth Yancey gave an overview of cost reduction measures taken for City Parks and Recreation Departments, which included the Sports Complex.

Chairman Housley commented on outsourcing opportunities for lawn maintenance at the sports complex; the 25% budget reductions made over the past two fiscal years; and, opportunities for naming rights and advertising. Director Elizabeth Yancey clarified that budget reductions made were in response to directives to reduce costs, and outlined efforts made by the organization, “S.A.L.T.” in the marketing of the sports complex.

Member Higginbotham was disappointed with the proposed reductions in services. City Manager Brangaccio clarified that reductions in services resulted from the overall reduction in revenues, and clarified strategy to continue restroom maintenance at parks. Member Rush questioned current proposed deficits. City Manager Brangaccio commented on millage rates and reductions in property values, which resulted in reduced estimated ad valorem tax revenues.

Chairman Housley commented on logistical management practices. City Manager Brangaccio clarified staff processes in estimation of future expenditures and ongoing consideration and review of future consolidation of services and expenditures. Chairman Housley questioned drastic increases in personnel costs over the past ten years. Ms. Yancey clarified increases of responsibilities over the same period which led to increased personnel needs.

Member Higginbotham questioned why the City owned the Sports Complex, and whether the City charged enough to the use of its facilities, specifically the football stadium. City Manager Brangaccio commented on staff efforts to engage interest from other Cities to share costs associated with running of the complex. Member Rush supported increases in user fees at the Sports Complex. Chairman Housley felt marketing efforts of the Sports Complex should be increased.

Member Higgenbotham questioned whether the City received rental payments from the Chamber of Commerce for use of its current building. City Manager Brangaccio clarified the City received no payments from the Chamber of Commerce, and there were no current lease on the facility.

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Planning and Engineering – Planning Manager Gail Henrikson gave an overview of cost reduction measures taken for City Planning and Engineering Departments, which included Planning and Zoning, Engineering, and Building and Permitting.

Chairman Housley suggested implementing a formal Total Quality Program like those used by many of the best businesses to improve both productivity and quality of services by identifying root causes of errors and changing processes to ensure they do not recur programs becoming more proficient and compared the Planning/Building departments. Chairman Housley felt staff should consider taking steps to determine what processes could be improved. Ms. Henrikson agreed and commented on staff efforts to streamline operations and improve the processes in the building department. Ms. Henrikson felt a process was needed to address issues related to small development.

Member Higginbotham questioned whether New Smyrna Beach represented a user friendly process in applying for and obtaining building permits. Ms. Henrikson commented on the permitting and site plan review processes from City regulations. City Manager Brangaccio outlined efforts taken by the Chief Building Official to improve the processes of the Building and Engineering Departments.

Chairman Housley called a break at 5:39 pm and the task force reconvened at 5:45 pm.

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Administrative Services – Acting Finance Director Althea Philord gave an overview of cost reduction measures taken for Administrative Services General Fund Departments, which included the City Commission, City Manager, City Attorney, City Clerk, Finance, Human Resources, Information Technology, and General Government.

Chairman Housley questioned where the net savings appeared in the budget from consolidating operations to City Hall and vacating the AOB on the North Causway. City Manager Brangaccio clarified the Administrative Office Building site was on a list of properties under consideration for future sale or lease.

Chairman Housley questioned the current website contractor recurring expenses reported, and the status of IT departmental expenses from one fiscal year to the

next. City Manager Brangaccio commented on a recent assessment by the Revere Group for an upgrade to system hardware and software. Chairman Housley questioned whether area schools had opportunities in maintaining IT services. City Manager Brangaccio commented on ongoing efforts to improve technology. Chairman Housley commented on intern opportunities with area schools. Acting Finance Director Althea Philord clarified the number of intern programs currently participated in by the City.

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POLICE AND FIRE DEPARTMENT UPDATES:

Police Department – Police Chief Ron Pagano gave an update on departmental efforts to reduce the proposed budget. Chief Pagano outlined the personnel status of the department and highlighted that five department personnel would be lost due to early retirement incentives. Chief Pagano felt the loss of any additional personnel would affect safety and commented on current efforts within the department to redistribute duties.

Member Higginbotham commented on the increased use of chaplains by the Police Department. Chief Pagano clarified the use of chaplains had no fiscal impact to the taxpayers, and outlined efforts to obtain grant funding for 3 sworn officers for 3 years.

Chairman Housley felt it was necessary to more closely examine the use of volunteers, civilians and non-sworn officers in lieu of sworn officers. Chief Pagano commented on the number of trained volunteers currently utilized, and the number of non-sworn officer positions authorized in the department. Chairman Housley questioned whether the City should consider backing out of its commitment to maintain a law enforcement boat. Chief Pagano clarified the asset was a shared asset with other Cities, who shared the costs of the equipment.

Chairman Housley commented on the “Take Home Vehicle Policy” of other Cities in Volusia County and suggested alternatives to the policy such as vehicle sharing practices. Chief Pagano clarified that take home vehicles were negotiated by contract with the labor union. City Manager Brangaccio clarified a new report would be provided from the Fleet Maintenance Department regarding take home police cars. Chairman Housley commented on the overall effectiveness of take home vehicles. Member Higginbotham felt the police department was short on manning and felt the police department did a great job with what it had. Chief Pagano felt the existing policy was very effective in putting officers on the street. Vice Chairman Miller was disappointed to see the police department lose so many good members.

Acting Finance Director Althea Philord clarified that the proposed budget for the Police Department would be \$5,906,811 versus the current year budget of \$6,199,979.

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Fire and Emergency Services – Fire Chief Dave McCallister commented on coordination efforts between public safety departments and felt the Police Department Victim’s Advocate position was priceless to the City. He commented on a recent meeting with Volusia County representatives regarding Volusia County Fire Station No. 23, which he felt was not productive.

Chief McCallister outlined a recent “Safer” Grant secured by the City of Edgewater, and felt steps should be taken to coordinate obtaining a portion of the grant funding to subsidize the imminent loss of firefighters due to the acceptance of early retirement incentives. Chief McCallister commented on cost savings measures taken, such as staffing down of equipment when allowable, as well as other measures regarding management of overtime, workers compensation and family medical leave.

Chief McCallister reported that approximately \$331,000 remained to be reduced from the departmental proposed budget, in order to reach its goal of a reduction of \$800,000 from the previous year. Chairman Housley commented on current policies regarding employees injured and questioned policies regarding types of responses and number of personnel required for response. Chief McCallister clarified types of manning scenarios and emergency medical dispatch procedures, which include various data type used.

Acting Finance Director Althea Philord clarified that the proposed budget for Fire and Emergency Services would be \$5,028,548 versus the current year budget of \$5,542,605.

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Task Force Member Comments – None

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Public Comments – None

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Next Meeting, July 19, 2010 – Chairman Housley felt the next meeting agenda should once again, include brainstorming in order to determine what the end product for presentation to the City Commission would be. Chairman Housley felt the task force should meet again in two weeks. The other task force members felt the next meeting should be held on July 19, 2010. City Manager Brangaccio confirmed the next meeting would be July 19, 2010.

Chairman Housley reported he would meet with City Attorney Gummey separately to discuss the proposed budget for the City Attorney’s Department. Chairman Housley commented on the mission of the task force, in spite of current litigation

against the City, and felt that uncomfortable decisions regarding personnel costs may be necessary in order to balance the budget. Vice Chairman Miller commented on priority issues to be presented to the Commission.

Chairman Housley suggested that actions should be stated tomorrow morning to increase revenue from dock rentals and boat launchings. City Manager Brangaccio commented on the importance of having a review process.

With no further business to address, Chairman Housley declared the meeting adjourned at 6:36 p.m.