

CITY OF OPA-LOCKA

“The Great City”

**CLERK’S ACTION SUMMARY MINUTES
CONTINUED FIRST BUDGET HEARING**

September 23, 2013

5:01 P.M.

**Opa-locka Municipal Complex
780 Fisherman Street, 2nd Floor
Opa-locka, FL 33054**

1. CALL TO ORDER:

Mayor Myra L. Taylor called the Continued First Budget Hearing to order at 5:11 p.m. on Monday, September 23, 2013 on the 2nd Floor of the Opa-locka Municipal Complex, 780 Fisherman Street, Opa-locka, Florida.

2. ROLL CALL:

The following members of the City Commission were present: Commissioner Dorothy Johnson, Commissioner Luis B. Santiago, Vice Mayor Joseph L. Kelley, Commissioner Timothy Holmes and Mayor Myra L. Taylor. Also in attendance were: City Manager Kelvin L. Baker, Sr., City Attorney Joseph S. Geller, and City Clerk Joanna Flores.

3. INVOCATION:

The Invocation was delivered by Vice Mayor Joseph L. Kelley.

4. PLEDGE OF ALLEGIANCE:

The Pledge of Allegiance was recited in unison.

5. FIRST READING ORDINANCE/PUBLIC HEARING:

- a) **AN ORDINANCE OF THE CITY COMMISSION OF THE CITY OF OPA-LOCKA, FLORIDA, APPROVING AND ADOPTING THE CITY’S GENERAL FUND BUDGET FOR THE FISCAL YEAR 2013-2014, COMMENCING OCTOBER 1, 2013, THROUGH SEPTEMBER 30, 2014; PROVIDING FOR THE EXPENDITURE OF FUNDS ESTABLISHED BY THE BUDGET, AUTHORIZING THE CITY MANAGER TO TAKE CERTAIN ACTIONS; PROVIDING FOR APPROPRIATION OF ALL BUDGET EXPENDITURES; PROVIDING FOR FEES CONSISTENT WITH APPROPRIATION AND AMENDMENT; PROVIDING FOR INCORPORATION OF RECITALS; PROVIDING FOR CONFLICT AND REPEALER; PROVIDING FOR SEVERABILITY; PROVIDING FOR AN EFFECTIVE DATE. *Sponsored by C.M.***

The above ordinance was read by title by City Attorney Geller.

Mayor Taylor opened the floor for public hearing. There being no persons to speak on the public hearing, the public hearing was closed.

It was moved by Vice Mayor Kelley, seconded by Commissioner Johnson for discussion.

Manager Baker stated that the city has balanced the budget with several major adjustments and most are not necessarily desirable but the goal on the front end of the whole process was to keep all of our employees employed to continue the city's level of service, no reduction in level of service, to make a slight adjustment in the millage, do everything possible to provide a level of reform to the city's insurance and the city was fortunate enough to have a timely response from the Florida League of Cities, however, there are some other things allotted for in this proposed budget to deal with the Risk Management issues associated with the city's general liabilities. There were several suggestions made that were not taken into consideration at the last meeting. This budget includes a 12 day furlough (one per month) for all city employees, it does not include a cost of living increase, it reduces all but six positions in terms of vacancies, it includes this health insurance piece and those were the pieces used to balance the budget.

Vice Mayor Kelley referenced the Risk Manager position and the importance of having that position filled and asked would the amount allocated be enough to attract a person to fill that position?

Manager Baker said in the budget meeting they discussed selecting a Risk Manager a salary adjustment was made, therefore, there is room in the budget to negotiate for it.

Vice Mayor Kelley asked if the officers are inclusive of the FDLE numbers.

Manager Baker said that is right.

Vice Mayor Kelley asked about the budgeted amount for rent revenue and what line item it is in? He said those funds could possibly be used to fill the budget gap.

Manager Baker said he did not have the number in front of him.

Vice Mayor Kelley said with the rentals including Segal and Helen Miller, he is assuming there will be an increase of working revenue.

Commissioner Johnson asked about Exhibit A, Expenditures Reserve for \$565,000.00. Is that what is in the account?

Faye Douglas, Budget Administrator, City of Opa-locka, said the amount is the \$500,000.00 that is annually budgeted to save in the reserves for the general fund and the \$65,000.00 is for sick/vacation liability funds put aside annually.

Commissioner Johnson said they are actually starting off with \$273,616.00 according to the minutes of July 10, 2013.

Ms. Douglas said that is correct. They are hoping for next year's budget to add \$500,000.00.

Commissioner Johnson asked how this could happen when there is a shortage.

Ms. Douglas explained that if can be balanced, expenditures equal revenue and the \$500,000.00 will be there for general fund reserves and \$65,000.00 to pay out employees when they leave the city.

Commissioner Johnson said the reserve is owed \$350,000.00. She asked, didn't they borrow from the reserve this year?

Ms. Douglas said nothing was borrowed during this budget year; funds were borrowed in the previous year and that is why there is \$273,616.00. She said \$300,000.00 was used to balance the budget this year and funds were also borrowed from the Water & Sewer Fund twice.

Commissioner Johnson asked how much was borrowed in FY 2011-2012 from the reserve.

Ms. Douglas said \$300,000.00.

Commissioner asked where the money is coming from, where is the difference coming from?

Ms. Douglas said there was \$200,000.000 left from the budget last year and this year there is another \$500,000.00 budgeted to put towards the reserves and then another \$500,000.00 for the next year to put towards the reserves. If the city gets \$1,000,000.00 in revenue, then the city would only spend \$1,000,000.00 in expenses, with the goal of keeping \$500,000.00. Some of the revenue money will not be spent and will go towards the reserve.

In terms of the Enterprise and Franchise Fees, Commissioner Johnson asked, where are they listed or are they co-mingled?

Ms. Douglas said it is all part of the General Fund revenue.

Commissioner Johnson said last year and in prior meetings she has asked for it to be separate to see that amount.

Ms. Douglas said there are separate line items in the general revenue budget for all the franchise fees. The Enterprise fees are included in the general revenue budget; there are no Franchise fees in the Enterprise funds.

Commissioner Johnson asked where she can find the money.

Ms. Douglas referred to page 47 the 4th section where there is a line item for each Franchise Fee collected. She said the Enterprise Fund revenue is on page 50 and that is

Solid Waste, Water & Sewer and Storm Water funds. There are no Franchise Fees collected in those funds.

Commissioner Johnson asked if there was an increase or a decrease. She is concerned because in 2012 there were unaudited figures.

Ms. Douglas the reason it was unaudited is because at the time the budget was done the audit had not been completed, therefore there are unaudited numbers in the system.

Commissioner Johnson said she went back to 2007 and every year it was unaudited. She saw an increase on the Franchise Fees and the numbers do not add up. The Certificate of Use just came in recently, that was adopted in 2013.

Ms. Douglas said the Certificate of Use is not a Franchise Fee; it is a license or permit. The Franchise Fees are above that section. The 2012 unaudited number is \$1.55 million, the projected for 2013 is \$1.49 million.

Commissioner Johnson said there are buildings that will impact 2013. On the 2012 unaudited numbers there is \$1,550,892.00, but there is a deduction in 2013. She said there is a projection of a proposed deduction when there are buildings going on and she is assuming there will be impact and franchise fees.

Commissioner Johnson asked, what is the actual number?

Ms. Douglas said as of May 30, it was almost \$700,000.00.

Commissioner Johnson said that is big difference. How was this projected?

Ms. Douglas explained when looking at the projection for the revenue, particularly the Franchise Fees, it occurs once per month and sometimes there is a delay in receiving the dollars. So if seven months have passed, there may only be six months received. The twelfth month of September will be received in October. The actual may seem low but that is due to the delay in receiving the Franchise Fees.

Commissioner Johnson said she will speak to the City Manager about this. She asked about salary increases for the city.

Ms. Douglas said there have been no overall city-wide salary increases.

Commissioner Johnson asked if there has been any.

Ms. Douglas said she is not certain. She does not know of any specifics.

Commissioner Johnson asked Manager Baker if there have been any increases from October 1st to current.

Manager Baker said yes.

Commissioner Johnson asked if there had been any after the recently passed legislation.

Manager Baker said no.

Commissioner Johnson asked if any increases could have happened without Manager Baker knowing about them.

Manager Baker said, "That is not possible, I have to sign off on the hires, terminations."

Commissioner Johnson asked about temporary hiring. The last time this was discussed, Manager Baker said it was best because of the benefits. She asked how many are being used because she does see any numbers in the budget regarding temporary hiring?

Manager Baker said he knows he provided the total and the point he was making is that it is more cost effective to take care of an immediate need without having to pay for all of the benefits and it is much easier when the time comes to either hire someone permanently or to transition out of it, as opposed to dealing with Union issues and other matters.

Commissioner Johnson said she would like to sit down with him to discuss positions that have not occurred from 2007 to present that are now listed because she would like to explore lateral assignments. She asked about the furloughs as outlined for all employees at one day per month except for the Police.

Manager Baker said it is all employees and that is what is on the table.

Commissioner Johnson asked how this would affect the Police. Is there a formula that goes with this?

Manager Baker said logistically providing this will require a strategy to implement this going forward city-wide. The hope is that there will be an option to come back in a few months to revisit this. He started a new initiative that will hopefully bring in some heavy revenue. This may help him come back with a recommendation to rescind it or reduce it substantially.

Commissioner Johnson said back in September 2012 she requested that the Commission be provided with a copy of anyone who was receiving a car allowance. She asked, did Manager Baker recall this?

Manager Baker said yes.

Commissioner Johnson said this would give a date of the odometer when it began to be able to look at the usage of city business, but she hasn't gotten it. She is concerned that this has not been given out. She also wants to know the formula that will be used to reduce cost of gas as to the gas pricing variance.

Manager Baker said the policy is to reduce the radius of how far a city vehicle can travel outside of the city limits. There is also a vehicle idling policy to require vehicles to be turned off when no one is inside with the exception of some police matters. There is also a policy regarding the reduction of take home vehicles.

Commissioner Johnson said this needs to be revisited.

Manager Baker said there are only two individuals on car allowance and that is himself and the City Clerk.

Commissioner Johnson said that are vehicles that could be examined for possible usage instead of having them sitting around. Fleet usage needs to be examined for efficiency. She said she had also asked for top management to give back to the budget and where was that?

Manager Baker said it was provided under a separate memorandum on Page 2 for a 5% reduction and what that will yield in terms of revenue. It is contained on the 1st Budget concerns by reducing top level salaries.

Commissioner Johnson said it would save \$56,000.00 and where was that.

Manager Baker said he is not recommending it the salary reduction.

Commissioner Johnson said cost of living was not in this budget. She asked about cost of living increases that were given last year.

Manager Baker said they were only given to the Police.

Commissioner Johnson asked when the last time classified employees got a raise.

Manager Baker said 3+ years ago.

Commissioner Johnson said she knows lower level employees have not gotten increases, but she can provide information that the higher level employees did. Perhaps, prior to Manager Baker coming to the city, but they have been given. She is asking the Commission to look at this and not just keep giving to the top level employees. The lower level employees have to survive. She would like all PA forms from October 1st to the present provided to her by September 24, 2013.

Commissioner Holmes asked if the 3% cost of living increase for the employees is in the budget?

Manager Baker said no. Initially it was his desire, but the budget does not support it and it is not in the recommendation. He would like to work towards the elimination of the furloughs. After that, he would like to revisit the cost of living increases. At this juncture, the financial challenges have made increases difficult.

Commissioner Holmes asked if the employees got a \$500.00 bonus last year.

Manager Baker said yes.

Commissioner Holmes asked about coming up with a plan for police cars taken home that when they exceed a specified mile limitation, the gas would be paid for by the person driving the car.

Commissioner Santiago asked Manager Baker if the city has hourly employees and salaried employees.

Manager Baker said yes.

Commissioner Santiago said salaried employees don't lose any money when they do not come in. But hourly employees do lose out since they only get paid for the time they work. He said this was not fair and he would like this to be looked at.

Commissioner Johnson asked Attorney Geller about the uncollected funds he was working on.

Attorney Geller said recommendations were made to the Manager's office. He is happy to pursue them, but targets must be identified. Some of the largest amounts were Homestead, which cannot be collected.

Commissioner Johnson said Attorney Geller should not wait on the Manager, he can provide information to the Commission for discussion and action. This has been going on for two and half years.

Vice Mayor Kelley asked about rental revenue because the audited in 2011 was \$16,600.00 and the 2012 unaudited was about \$13,000.00. The current projected is only \$3,600.00.

Ms. Douglas said that the property the Senior Housing is being built on had revenue from the previous landlord, but it was sold and now there is no more rental revenue.

Vice Mayor Kelley with all the other rentals at Helen Miller and Sherbondy, is that factored into the rental amount?

Ms. Douglas said that is listed in Charges for Services. It is account 347-230 Rental of Park Facilities. It has \$500.00 but she will look at it.

Vice Mayor Kelley said at Sherbondy Village there are people there almost every night. Sherbondy Village is supposed to generate revenue and pay for itself, but something is wrong at a projection of \$500.00. It is being used almost every day. He also anticipates the Helen Miller building to be used quite a bit. That number could be projected higher. If the building is being heavily used, where is the revenue? He said if the building is being used, it should be paid for because it is there to generate revenue. Pavilions are already up and they generate revenue, the buildings should do the same. If someone wants to use the facilities for free, they should come before the Commission. He said the City Attorney could draft some legislation to address this.

Mayor Taylor said she thought there is a fee schedule for using the building.

Manager Baker said there is fee schedule.

Mayor Taylor said there is a for-profit and non-profit rate.

Ms. Douglas concurred.

Mayor Taylor said any fees will help the budget.

Vice Mayor Kelley said he cannot agree on the furloughs as they are, but he met with Manager Baker and has legislation pending to revisit this as soon as possible. He will move the budget with that in mind.

Mayor Taylor said that when this is finished, the salaries need to be raised from the bottom up. She wants to know if there is anything to do to increase property values.

Ms. Douglas said property values have dropped by about \$1.7 million over the last five years.

Manager Baker said the city took greater property value drops during the recession and the values are not coming up as fast. Sales are picking up, short sales are slowing down. The ad valorem tax revenues are based upon the purchased price. As appreciation continues this will help the city, and a positive impact should be felt next year in the budget.

Attorney Geller said possibly the Mayor and the Commission might want to appoint a committee and look at strategies for what could be done on a proactive basis.

Vice Mayor Kelley said through the CRA this could occur. They are meant to deal with these issues such as blighted areas.

Mayor Taylor asked Manager Baker if the budget is balanced.

Manager Baker said the budget will be balanced on Wednesday with the actions taken on healthcare; he now has to go back and work on some items. Looking at the numbers it will be about \$150,000.00.

Commissioner Johnson said she would like the Commission to consider the 5% that the Manager did not recommend.

Vice Mayor Kelley said the Manager has to incorporate all of the suggestions and bring it back to the commission in 2 or 3 versions that gets to a balanced budget.

Commissioner Johnson said if it does not go on record, as it has not been recommended, and she is asking for it to be included as well as the other things. She would like to include the 5% which was \$56,000.00 because there needs to be money for the offset of employee insurance. That should be part of the formula in addition to the car allowances and the gasoline.

Manager Baker said he would prefer not to do that because this is very difficult to attract and hire certain professionals.

Commissioner Johnson said she wants this included. She requested that Manager Baker bring it and the Commission decide and it can be voted up or down.

Mayor Taylor asked Manager Baker if there is anything that can be done regarding the Commission and contributing. She asked Manager Baker to make sure to give the Commission the items requested for consideration.

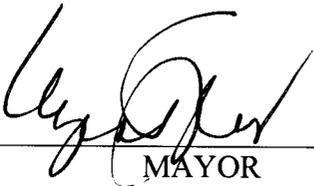
Manager Baker said that is up to the Commission and he would not want to make that recommendation.

There being no further discussion, the motion passed first hearing by a 5-0 vote.

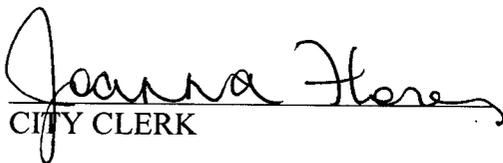
Commissioner Johnson	Yes
Commissioner Holmes	Yes
Commissioner Santiago	Yes
Vice Mayor Kelley	Yes
Mayor Taylor	Yes

6. ADJOURNMENT:

There being no further business to come before the Commission, it was moved by Commissioner Holmes, seconded by Vice Mayor Kelley to adjourn the meeting at 6:14 p.m.


MAYOR

ATTEST:


CITY CLERK