



City of Naples

CITY COUNCIL MINUTES

Workshop Meeting 8-23-91

City Council Chambers
735 Eighth Street South
Naples, Florida 33940

-SUBJECT-

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CAPITAL IMPROVEMENTS BUDGET:

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Water Production
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UTILITIES DEPARTMENT

Water and Sewer

According to Utilities Director Larry Barnet, the only change in Personal Services this year was the addition of one position, that of Analyst Coordinator. An increase is reflected in Compensation Reserve to allow for a cost-of-living increase for Water and Sewer employees.

Utilities Wastewater

Utilities Wastewater is a new division within the Department, explained the Utilities Director, which was created for the purpose of establishing an administrative unit responsible solely for Water and Sewer.

City Manager Woodruff said that the funds requested in Item 630 of the Budget Detail, Improvements Other Than Buildings, included the Water Master Plan, Wastewater Master Plan, and Re-Use Water Master Plan, and any funds for studies would be spent only after Council's concurrence.

Engineering Administration and Design

City Manager Woodruff told Council that reorganization of the Engineering Department was being seriously considered, and that the position of Associate Civil Engineer-Traffic would not be filled until such reorganization. Finance Director Harrison reminded Council that the Streets Fund helped to support this division. Dr. Woodruff added that if the City's construction crews are reorganized, there would be reassignment of responsibilities.

Water Distribution and Water Distribution

The City Manager reviewed the organizational chart and operating expenses for these divisions. Utilities Director Barnet assured Council that although there may be some realignment in job

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responsibilities in the future, each employee currently had a very specific job. He told Council that Utilities' goal was to be a "fully functioning organization."

Mr. Barnet explained the need for employee lab certification and Dr. Woodruff noted that additional studies were being conducted with regard to water quality.

In answer to Mayor Anderson's question, Assistant Utilities Director Mercer informed Council that the stormwater drains in the City's lakes were cleaned out every five to seven years.

Mr. Mercer said that the new position requested, Administrative Assistant, was needed because it was necessary for one person to be responsible for the Division's many computer tasks.

Discussion ensued relative to Machinery and Equipment and it was the consensus of Council that staff should immediately initiate the necessary paperwork to purchase four utility bodies. Council Member Herms commented that he was pleased with the new policy whereby each employee would be issued his own tools and held responsible for them.

Wastewater Treatment

City Manager Woodruff reminded Council that Naples utilized a pumping system rather than a gravity system. He also informed Council that in the future, the City's ability to discharge into Naples Bay would probably be stopped.

Wastewater Collection

Assistant Utilities Director Mercer reviewed the Personal Services item and said that no changes would be made in that area with the exception of some reorganization. A separate mud hog was needed for sewer work, he explained, since DER (Department of Environmental Regulations) prohibits the same equipment being used for both water and sewer projects.

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Water/Sewer Maintenance

City Manager Woodruff reviewed the Personal Services item, pointing out that two additional Service Workers had been requested but that he was recommending one.

Assistant Utilities Director Mercer told Council that he "can't say enough" about his Division.

CAPITAL IMPROVEMENTS BUDGET

The City Manager disclosed that the CIP projects would not be achieved this year, due to a budget balance of approximately \$500,000.

In answer to Council Member Muenzer's question, Dr. Woodruff said that staff would report on all equipment in the Water and Sewer Division which was presently being used for mowing, and also the frequency of the mowing.

Staff will also research the history of the green Water and Sewer dumptruck, and determine if it could be reassigned to the Streets Division, where there is a need for a truck with greater capacity.

Utilities Director Barnet explained that certain Water Distribution CIP items were "musts" because of jobs the City is doing in conjunction with the County.

Wastewater-Sewer Collection

Assistant Utilities Director Mercer reviewed the CIP items including manhole rehabilitation and relocation of force mains. He told Council that the force main project at Golden Gate Parkway and Airport Road is part of a joint project with the County.

Water Production

The underground fuel tank will be removed, said Assistant Utilities Director Mercer. Mayor

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Anderson reminded staff to properly comply with all laws concerning underground pollution. City Manager Woodruff noted that privatization of fuel sales would be important from the aspect of not having the environmental liability.

Sewer Treatment

Dr. Woodruff noted that three CIP projects in this area must be done and that those will require about one half of the available budgeted funds.

BREAK: 5:30 p.m. - 5:40 p.m.

City Manager Woodruff commended staff for its work on the budget. Dr. Woodruff said, "I told you this was an honest budget. I think you can see this was an honest statement. It reflects the way we feel. You can see from the number of people who've been here that we've involved the people responsible for getting the job done."

"The way the staff has responded back to you with requests - that's what you expect. We'll try to carry that forward. We work for you and you should be our priority," he added.

"As we get to the point of hard decisions, let me tell you again that the budget is put together in appropriate, honest fashion of what we think it takes. This is not an indication of things to come. No one can tell you what next year's budget will look like. Before then we have to negotiate three labor contracts. Wage demands would result in a 17% increase for Police alone, the point being we don't know what the figures will be. We do know if you take the recommendations, we will have set straight some errors that we as a management team believe were made. Once corrected, they won't need recorection."

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Dr. Woodruff concluded his remarks by saying, "We've completed our role. Now it's time for your role. We will implement honestly within purchasing procedures adopted this week. We appreciate your taking this much time, time away from your families."

Mayor Anderson stated that staff had done an "incredibly good job" and that she had many positive things to say about the spirit of cooperation and determination implemented in the execution of this budget. The Mayor said further, "Citizens are looking for an honest budget, one without pitfalls, with no inappropriate funding as in the past to cover up expenditures. I'm very comfortable that even if we have to adopt the millage, that you would work diligently so that next year it won't be a case of increasing, but maybe reducing, through privatization, enhancements to profit and loss, and education of employees. I hope that once these appropriations and indiscriminate expenditures are taken care of, the public will understand this is a one-time thing. We've rolled back the millage rate every year since 1987. It just doesn't make good logical sense to know you are going to be able to make increases to payroll and CIP projects that are inappropriately funded. It's not honest. We won't misuse consultants. I am very proud of the work staff has done and very proud of what Council has done. I hope we can settle things."

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financial record - what does it cost to deliver proper accounting, then what's the true additional cost. The difference is in correcting old errors and then going forward and continuing," she added.

Mayor Anderson asked the Council Members for their opinions of the General Fund. The City Manager explained that once corrected, the funds would be present each year, supported by tax money. Discussion then ensued whether \$500,000 should be charged to the General Fund for self-insurance.

Council Member Sullivan said that in his opinion, it was time to do what was right for the City. The City Manager noted that if Council stated that as policy, the General Fund should be funded by utility fees rather than ad valorem taxes. Council had the right to establish that policy.

Council Member Muenzer said that he had concerns about higher taxes, especially for those citizens who were on a fixed income.

Vice Mayor Passidomo stated that good, honest, straightforward government was the best Council could provide to the citizens. Although he recognized the tax burden was unfair, he said, he would recommend increasing the millage rate. Vice Mayor Passidomo added that he supported the City Manager's recommendations and a commitment to finding other opportunities to cut the budget.

Finance Director Harrison assured Council that over the next twelve months the Self-Insurance Fund would be analyzed thoroughly. He reminded Council that the Rate Study Committee would be submitting its recommendations soon.

The City Manager said that staff would start procedures immediately to implement a direct-cost plan for the Sewer Division and that the same would be considered in all the Enterprise Funds.

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Council agreed that requests for compensation should be funded for all General Fund employees. Council Member Muenzer stated that some of the positions should be reviewed, especially those that were elevated last year. Council Member Sullivan agreed, noting that the PSA Study had caused "some strange things."

With regard to Revenues, Council Member Sullivan said that he would support \$150,000 in additional funds. Council Member Muenzer agreed that funds must be added, however, perhaps the increases could be accomplished in \$50,000 increments over three years time.

Finance Director Harrison explained that the theory behind the Contingency Fund was that unrestricted reserves would be available. Council Member Muenzer added that a hurricane could deplete the funds rapidly. He asked if there was a possibility, through limiting hiring and delaying other expenditures, that the Contingency Fund could be financed. The City Manager answered in the affirmative, if such monies would be used to build the Contingency Fund.

City Manager Woodruff told Council that he would commit to a policy for the coming year that a position must stay vacant for thirty days until it is filled, with the understanding that all savings thus accrued go toward building the Contingency Fund. Finance Director Harrison assured Council that "not one dollar" can be withdrawn from the Contingency Fund without Council's approval.

The City Manager stated that at this point the recommended millage rate was 1.25%.

Dr. Woodruff told Council that each department could be thoroughly reviewed, looking for budget

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cuts, or Council could give him a figure and staff would keep the budget within that amount.

It was the consensus of Council to cut the position of Planner III from the budget.

Council Member Korest recommended that a specific dollar amount be given to the City Manager. He recommended a cap of 1.25 mills. Mr. Korest added that citizens he had talked with were very supportive of the way the City was maintained. "Let's not let it get run down because we don't have enough money to maintain," he commented.

Council Member Herms suggested a millage rate of 1.05%. He recommended cutting \$185,000 from the Streets Division and asking the Airport for \$100,000. Dr. Woodruff noted that the City currently had a valid contract with the Airport and could not depend on receiving funds from that source. With regard to a \$185,000 cut in the Streets Division, the City Manager said that he could not guarantee that the quality of service would stay as it is now.

Council Member Herms suggested that the millage rate be raised over a two to three year period and said that in his opinion the City should have a cost of living tax increase every year. Mr. Herms stated that levels of service could still be guaranteed.

Council Member Muenzer said that he had confidence in the entire staff and was interested in hearing suggestions from staff as to where expenses could be cut.

Council Member Sullivan stated that he could support 1.20%. He added that in his opinion that would be adequate to generate the level of service the City could provide.

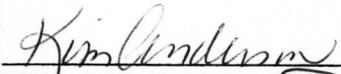
Mayor Anderson concurred that 1.20% was valid. She expressed confidence that staff would develop the efficiencies necessary, however, sufficient staff was needed. The Mayor said that the

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Streets Division would either become productive or that the work would be privatized.					
City Manager Woodruff told Council that he could commit to a 1.20% millage rate based on the policy matters discussed, and that he would return to Council with a revised budget. Vice Mayor Passidomo stated that if adequate resources are not available, staff does not have a chance to perform efficiently. He said "we have to give this management team a chance."					
Further discussion ensued with regard to the millage rate increase, and Council agreed to 1.18%. City Manager Woodruff informed Council that at the Special Meeting on September 5th staff would present two budgets. One would be based upon 1.18% millage and the other based upon 1.20% millage.					
<u>It was the consensus of Council that before the Special Meeting on September 5th, each Member would meet individually with the City Manager to review the two proposed budgets.</u>					
Council Member Sullivan commended staff for its performance and expressed his appreciation for the manner in which the budget was presented.					
City Manager Woodruff thanked Council for treating staff in such a professional manner throughout the Budget Workshops. He summarized by saying "We have a very good staff. We've inherited a good group of dedicated people."					

ADJOURN: 8:14 p.m.					
 KIM ANDERSON, MAYOR					
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