TOWN COUNCIL MINUTES OF SPECIAL MEETING HELD ON JULY 30, 1992

I. CALL TO ORDER AND ROLL CALL: A Special Town Council Meeting was called to order at 9:00 AM on July 30, 1992 in the Town Hall Council Chambers by President Heeke. On roll call, the following elected officials were found to be in attendance: President Heeke, President Pro Tem Weinberg, Councilwoman Douthit and Councilman Ilyinsky. Absent were Mayor Marix and Councilwoman Wiener. Also attending were Town Manager Doney, Town Clerk Peters, Mr. Crouse, Mr. Jakubiak, Mrs. Crozier, Mrs. Kelly, Chief Terlizzese, Chief Elmore, Mr. Bitzer, Mr. Moore and Mrs. Zamecnik. Roll Call

II. INVOCATION AND PLEDGE OF ALLEGIANCE: Invocation was given by Mrs. Peters. Pledge of Allegiance was led by President Pro Tem Weinberg. Invocation

III. APPROVAL OF AGENDA: Motion was made by Mr. Ilyinsky, seconded by Mrs. Douthit to approve the agenda as printed. Motion carried unanimously on roll call. Appr. of Agenda

IV. FY93 PROPOSED BUDGETS:

A. 1992-93 FISCAL YEAR "TENTATIVE MILLAGE RATE AND BUDGET FOR GENERAL FUND AND PROPOSED BUDGETS FOR OTHER FUND GROUPS. Before conclusion of meeting, in accordance with Section 200.065 (1) (b) Florida Statutes, The Town Council shall announce the following: FY93 Proposed Budget

1. Advise Property Appraiser of Town's Proposed "Tentative" Operating (General Fund) Millage Rate, Rolled-Back Millage Rate and Debt Service Millage Rate.

2. Set the Date, Time and Place of a Public Hearing when Town Council will Consider and Act Upon Tentative Proposed Millage Rate and Tentative Budget for General Fund and Other Funds (Proposed Date: Wed. Sept. 2, 1992 at 5:01 PM in Town Council Chambers and for Final Adoption Public Hearing, Public Hearing, Proposed Date: Tuesday, Sept. 8, 1992 at 5:01 PM in Town Council Chambers).

3. Authorize Town Manager to Execute 1992 Certification of Taxable Value with Details Directed Today.

Mr. Doney gave an overview of the items contained in his memorandum of July 27, 1992 to the Mayor and Town Council.

He advised his recommendation of 4.2342 mills is predicated on a number of further policy considerations which the Town Council will make before the September hearings. He identified the items which will require further deliberation which are listed on Page 2 of his memorandum and they are:

1. Aquifer Storage and Recovery Project. The potential for funding certain items relating to the Aquifer Storage and Recovery project. He reminded all this will be discussed at the August 27, 1992 Special Town Council Meeting. He related other alternatives for funding could be Revenue Bonds, Short Term Financing or General Obligation Bonds. Aquifer Storage & Recovery Project

2. South Fire Rescue Station. The architect has made alternative design and site plans for the South Fire Rescue Station, and this is an item which will be considered by the Public Safety Committee and if the Town Council desires to locate the new station at the site of the present facility, temporary facilities would have to be provided and monies budgeted for same. South Fire Rescue Sta.

3. American With Disabilities Act. This is a Federal Mandate and staff has completed a self evaluation plan of the Town facilities and this information will be provided to the Mayor and Town Council, along with estimates. Amer.Dis.Act

4. Potential General Pay Increase. Mr. Crouse is completing a survey of surrounding jurisdictions annually surveyed and by the end of August will provide the results of that survey so a general pay increase may be considered. Gen.Pay Increase

5. Other potential expenditures which may arise before the proposed next public hearing which are not known at this time.

6. Water Conservation Plan. This report will be considered at the August 27, 1992 Special Town Council Meeting and depending upon the level of education and other items could translate to some budget expenditures. Water Con. Plan

7. Sanitary Sewage Treatment and Disposal Charges. There is a potential for additional charges to be incurred and further information will be provided. Sewage

Mr. Doney referred to Exhibit B, the overall recap of the budget as it exists as a result of the June 3 and 4 Finance and Taxation Committee actions and the budget he is recommending, based upon the millage he feels would be prudent as there are other needs. He advised the taxable value is 4/10th of one per cent higher than last year's taxable value and that is $4,176,525,194. He advised this does not provide for any change in the rolled back millage rate which is 3.8398 mills. He advised each $100,000 of expenditures funded by ad valorem taxes equals approximately .0250 mills.

Mr. Doney explained the millage rate recommended for debt service is .7338. He indicated the amount needed for the debt service is $2,911,543 to fund the principal and interest on outstanding bonds, which includes the 1992 Bond Refunding Program, which saves approximately $50,000 per year. He stated for calculation purposes, as required by State Law, they used 95% of their taxable value, which is $3,967,699 and that equates to the millage rate of .7338 mills.

Mr. Doney recommended the millage be set higher for two reasons:

1. The need to fund the items discussed earlier.

2. If a tentative operating millage rate was set higher than what is proposed today, it could not be done unless all citizens are a notified of the Hearings.

FY93 Budget

He noted on Exhibit B at the bottom there is a reference to the millage of 4.2324 mills which is the recommended operating millage is a 10.27 increase over the roll back millage rate and the proposed expenditure budget is $28,408,651 is $1,021,829 or a 3.73% higher than the FY 92 adopted General Fund Budget of $27,386,822.

He referred to Exhibit C which provides the computations which indicate costs to the tax payer for each $100,000 funded by ad valorem taxes.

He indicated Exhibit D shows the items acted upon at the June 3, and 4 Finance & Taxation Committee meetings and as requested they have eliminated from the budget, the promotional activity expense related to Landmarks, or $2600; have increased the funding for the Society of Four Arts Library by $5000; eliminated the printer for the Town Manager's Office for FY93 and purchased the replacement printer this fiscal year; negotiated a lower auditor's fee in the amount of $8,000; $158 was eliminated from the Personnel budget for water which should have been charged to the Town Hall Maintenance account; eliminated $5484 from the Planning, Building & Zoning Dept.. which was a miscoded item; and since the Finance & Taxation Committee meetings, Mr. Dusey of the Public Works Department has eliminated one more position which is now vacant, and it was a Equipment Operator 1 position which is a reduction of $43,274. He stated the revised total would be $27,844,840.

He referred to Exhibit "E" which shows the total adopted budget for FY '92 was $27,386,822 and the proposed budget for FY '93 equals $27,844,840 which is an actual dollar increase of $458,018 or a percentage change of 1.67% increase. He commented the major items of why the budget has been increased are:

1. Need to transfer to the Capital Improvement Fund additional funds from the General Fund to fund Capital Improvements. Recommended increased funding of $420,900, which is 43% over the funding provided in FY '92. He recommended they attempt to maintain a level funding in this regard with the five year plan.

2. Group Insurance program has increased to $354,550 and this is 11.34% increase over last year. This will build up the reserves as recommended by the Health Insurance Actuary.

3. Retirement Fund increase, as recommended by the Town's Actuary, is up $114,880.

4. Sewage Treatment and Disposal is an increase of $110,000 or 12.64%.

5. Worker's Compensation and Liability insurance - he stated at the September Town Council meeting, staff will be requesting Town Council to consider and act upon the renewal program for Worker's Compensation, Liability and Health Insurance and the best estimate for Worker's Comp and Liability is approximately $110,000.

6. He pointed out there is a reduction in total salaries of $323,858 due to changes in personnel complement.

He advised the major items cause an increase of $786,390 and further detail can be provided if needed.

He referred to Exhibit "F" which is an update on the status of the FY '93 proposed budget as of July 24, 1992. He reviewed the personnel complement in the various departments, and noted the reductions in certain department's budgeted figures:

Finance Department - Increase of one person, related to the transfer of the storekeeper clerk's position from Public Works Department to the Purchasing Department. He advised the elimination of the Finance Director position has reduced the budget, however, there has been added an Account Clerk/Data Processing Position in that Department.

Building & Zoning Department - no change in personnel complement. He noted there was a reduction in their budget from last year of $81,796.

Recreation Department - He advised there is an increase in this budget in the amount of $18,299. He noted there was an increase in personnel complement for a part time position for the tennis court monitoring in the evening and this will be off-set through increased revenue through the fees charged for the facility and the increase is from 11.14 personnel to 11.54.

Society of Four Arts - increase in library funding by $5000.00.

Fire/Rescue Department - He noted there is a decrease over last year's budget in the amount of $140,325. The personnel complement remains the same - 70.32. He advised there is a trial program in effect for a contract fire inspector and depending on the results of that program, they may be able to reduce the expenditures further for FY93.

Police Department - He advised the anticipated and proposed has a variance of $155,018. He stated through reorganization, personnel has been reduced by one position.

Hurricane Preparedness - this amount is not for emergency repairs which are included in the Public Works Department.

Public Works Department - Mr. Doney noted there is a reduction over last year's budget of $164,088 due to changes in personnel complement, one being the storekeeper clerk position, which is an inventory control position which has been reassigned to the Purchasing Department. He advised a contractual street sweeping has been instituted which eliminated one position. He advised this personnel complement in this Department decreased from 110.78 to 107.39.

Mr. Doney advised the personnel complement for the entire Town has been decreased from 355.42 positions to 352.52.

FY93 Budget (cont'd)

Mr. Doney advised interest rates on idle funds has been lower this year and because of non-ad-valorem revenues, they are anticipating a slight increase for FY '93 and he is recommending the transfer from the Undesignated General Fund Balance $1,587,540 and he is recommending $1,115,000 and the reason being is their over-collections and under-expenditures which comprise the Undesignated General Fund Balance as of 9-30-91 were approximately $4.7 million dollars. He stated it is has been a general policy that they stay in the range of 12 to 15 per cent of their total expenditures which would allow them to fund any capital improvement project which may unexpectedly come up. He thought it was important considering the Town's geography in the event of storm damage and that is set forth for the ocean front roadways protective seawalls and set aside for that is $2,454,904 and for beach protection - $1,365,606 which would be expended with subsequent Town Council's authorization.

He noted under the TRIM Law, the Town has 35 days from July 1 within which they can respond and it is his recommendation, the tentative operating millage be 4.2342 dollars per thousand dollars of taxable value. He noted the taxable value has a slight decrease over last year and would be in the amount of $4,154,214,579 and it was his belief that most properties would not experience an increase in taxable value but should experience a slight decrease.

He handed out an exhibit showing the comparison between FY92 and FY 93 for a home with taxable value of $235,000, $425,000, $625,000 and $825,000 with a reduction of $25,000 in homestead and applying the millage of last year of 4.5736 and the proposed millage of 4.968 which includes the contingent expenditures and he noted the difference for a $425,000 residence would have an increase in taxes of $166 and without the contingent expenditures for this same home the increase would be $109.

Mr. Heeke complimented Mr. Doney for the summarization and the material presented, as it is very clear. He stated they all anticipate the final budget will come in less than the tentative rate, but out of an abundance of caution, they do anticipate a larger contingency. Mr. Doney thanked Mr. Heeke indicating he has to give his thanks to the Department Heads as they all have done everything possible to try and control their expenditures.

Mr. Heeke called for the Council's comments. Mrs. Douthit knew there were many figures in this budget which were totally beyond the control of Council with regards to the sewage and insurances and things of that type.

Mr. Weinberg also complimented the staff on the job well done. He noted the staff positions were decreased by less than one percent. Mr. Doney believed that was correct, noting this is premised upon providing the same level of service. Mr. Weinberg believed they should all share in the recession as the citizens on fixed incomes are pulling in their belts and there is a question of how much of a belt tightening there has been in the Town's budget.

Mrs. Douthit noted the uncontrollable increases were in the neighborhood of $750,000. Mr. Doney pointed out it was 2.8% of the General Fund Budget. He advised there are some uncontrollable health expenses and the employees and their dependents and the Town do not want them, and they are trying to do everything they can to try and hold these expenses down. He believed there was a proactive effort in terms of implementing the PPO and the prescription card services and it has brought about some cost savings, which have been eaten up by negative experience, and they are looking into other ways by which these costs can be adjusted downward.

Mr. Heeke was sure there would always be a given that there will always be increased medical, unless there are some miraculous years with minimum rate loss experience, but this is usually totally uncontrollable.

Mr. Heeke stated pursuant to Section 200.065 (2) (b), of the Florida Statutes, the Town Council shall announce and advise on the following:

(1) Advise property appraiser of the Town's proposed tentative operating (General Fund) millage rate, rolled back millage rate and debt service millage rate.

Mr. Ilyinsky moved the Town's proposed operating millage rate for FY 93 be set at 4.2324 mills, and additionally the Town's roll-back millage rate for FY '93 is 3.8398 mills and the proposed operating rate of 4.2324 mills is a 10.271% increase over the rolled-back millage rate, also the Towns' proposed Debt Service Millage Rate is .7338 mills. Seconded by Mrs. Douthit. On roll call, the motion carried unanimously.

Mr. Heeke announced the date of the Public Hearing needs to be set when the Town Council will consider and act upon the Tentative Proposed Millage Rate and the Tentative Budget for General Fund and Other Funds and the suggested date is Wednesday, September 2, 1992 at 5:01 PM and the Final Hearing for adoption of the budget would be Tuesday, September 8, 1992 at 5:01 PM in the Town Hall Council Chambers. Mrs. Douthit so moved. Seconded by Mr. Weinberg. On roll call, the motion carried unanimously.

Mr. Heeke announced authorization needs to be granted to the Town Manager to execute the 1992 Certification of Taxable Value with the details as directed today. Mrs. Douthit moved the Town Manager be authorized to complete and execute the 1992 Certification of Taxable Value with the details as directed by the Town Council today and file the Certification with the County Property Appraiser. Seconded by Mr. Weinberg. On roll call, the motion carried unanimously.

Mr. Doney advised they will be looking at year-end expenditures and revising them as necessary prior to the September 2, 1992 meeting and hopefully, there will be no unknown needed expenditures to be discussed, however, if there are, he will advise the Mayor and Council by memorandum. Mr. Heeke recalled last year at the eleventh hour, there was an expenditure necessary for solid waste.

Adjournment

V. ADJOURNMENT. Motion made by Mr. Weinberg to adjourn the meeting, seconded by Mr. Ilyinsky. On roll call, the motion carried unanimously.

Grace T. Peters
Town Clerk