

MALABAR TOWN COUNCIL BUDGET WORKSHOP MEETING (2)
August 13, 2013 7:00 PM

This meeting of the Malabar Town Council was held at Town Hall at 2725 Malabar Road.

A. CALL TO ORDER:

The meeting was called to order at 7:00 pm by Chair Steve Rivet. The prayer and pledge were led by District 5 Council Member Marisa Acquaviva.

B. COUNCIL ROLL CALL:

CHAIR:

STEVE RIVET

MAYOR/VICE-CHAIR:

CARL BEATTY

COUNCIL MEMBERS: JIM

MILUCKY

WAYNE ABARE

JEFF MCKNIGHT, excused

MARISA ACQUAVIVA

BONILYN WILBANKS

TOWN ADMINISTRATOR:

DEBBY FRANKLIN

TOWN CLERK/TREASURER:

CYNTHIA KELLEY

DEPUTY TOWN CLERK

TOWN ATTORNEY

KARL BOHNE, excused

Also present in audience is Acting Fire Chief Dan Welton.

Additional information was provided to Council prior to the meeting including reserve summary from first workshop, page 2 of first workshop draft minutes. Franklin gave a brief overview. Rivet asked about the sheet with the millage rate; at 95%, what does that mean? Franklin stated we only budget at 95%; some people don't pay their taxes (95% budgeting is by Florida statute). Rivet questioned the reserves. Franklin stated that this was monies paid back to the GF for the capital leases that had been paid in full from 2010/2011 FY. The monies going back were the 2nd of 4 payments for the ladder truck; the Gradall is paid back in full and the tractor and head is the 2nd of 5 payments.

Abare wanted to speak to the millage. The MSTU raised the millage; since the downturn, we have cut staff and people are doing more work. Public Works took over the sub-contracting of mowing and grading. Current staff is stressed; he has looked at the equipment, a lot of it is worn out. In addition, there have been additional expenses that were not voted for by Council; information supplied by TA. FRS employer contributions and health insurance has risen. We have an increase of \$39,500 in expenses. We have no control over this. If we were to raise the millage to the maximum, we would collect within \$100 of what was just talked about. The lowest is Grant Valkaria at 1 mil; we are at 1.66. They have a County fire department.

Milucky and Acquaviva called *Point of Order*. There needs to be some kind of system for speaking and being addressed by the Chair.

Acquaviva asked about the two pages of budget summary. She had a question for Franklin; asked about having a BCC intern to answer the phones. Franklin stated that we signed up for the program but hadn't been called yet. Acquaviva stated that she had interns to help with the phones; everyone pitches in to help with what needs to be done at the store.

C. WORKSHOP ACTION:

REVENUES:

These figures are mostly not under our control. TA stated that with the donation letter from the Fire Department going out annually, we put funds of \$6,000 in the line item. We recognize that more funds may be received and we will make an adjustment. We are going to track the expenditures for these funds. We will be able to see the expenditures for the month with the donations provided. We lowered the franchise funds for the Utility Franchise from \$8,600 to \$3,400; this is more realistic. It was estimated on the whole thing and was never brought back to Council to be corrected. We did correct it for the upcoming fiscal year. This is the reason for the change.

The ad valorem taxes come from the sheet that was provided to Council before the meeting. Milucky stated that the amount for building permits is \$90,000; we've collected \$34,000 thus far this year. Two years ago, it was \$40,000. Franklin stated that what was taken in two years ago was the lowest since 1995. The local government ½ cent sales tax is estimated and comes from the State; it is based on mathematical formulas. For the special events revenue, we will do the cowbell race with different shirts as that is what the runners would like to have. The last is the donations from the fire department; people walk into Town Hall to make donations as well.

DEPT. 511:

Rivet stated that the first two line items are very sensitive to him; feels we spend too much and it is an opportunity to cut expenses. TA stated that these two items have the annual FLC conference and SCLC dinners in the budget. It was also budgeted for two Council members to attend the FLC conference and one person to attend the IEMO conference. Acquaviva stated that Council doesn't attend the SCLC dinners; Rivet stated he attends the one that the Town hosts. Mayor Beatty stated that he does not turn in mileage for the events that he attends. Also, most of the things he does attend have a fee if you don't show up. TA stated that the discretionary funds were put back into the budget; Council will let her know what to do with the funds each year. There is also a Discretionary Project line item this year of \$250; we could take the other out and bump this up to \$500 and take out the individual districts. It would be \$2,000 that would be saved. Rivet stated that the funds don't have to be spent. TA stated that since 2011, District 4 has always put the funds to Streets & Roads. Milucky stated he would like to see them all go to \$0. Abare stated that if we don't need it, don't spend it but keep it there. District 5 is to be removed per Acquaviva. Rivet stated we can vote on this or Council can decide what to do with the funds. Rivet asked how many wanted the funds zeroed out. Rivet, Acquaviva and Milucky stated yes to zero funds. Abare stated he would like to see it stay. Acquaviva stated she likes to do this on a case by case basis. Mayor Beatty said to leave it; won't have to look for funds later. If we don't need it, don't use it. Milucky stated that he will not support a budget that goes against fiscal responsibility. Walk around money for Council is not where to spend funds. Rivet asked if it is a general consensus to take out the discretionary funds. Acquaviva and Milucky said \$250 is good for the Discretionary Projects line item. Abare stated he would like to see it higher. Rivet asked about \$500. Milucky and Acquaviva voted for the \$250; Abare, Beatty & Rivet voted to raise it to \$500. The Discretionary Projects line item will be raised to \$500 and all other discretionary funds will be deleted from the budget.

511.5200 - Operating supplies: this line item covers everything for meetings; name plates, flash drives (see definition sheet). TA stated that the request for business cards had been added for Council. We also put some funds in for water/coffee supplies as well.

511.5400 - Books/Memberships: this is set by the memberships that Council has.

511.6400 – Machinery/Equipment: a new over-head projector has been budgeted for this fiscal year.

Mayor Beatty stated that the recording equipment needs to be added as well; Franklin stated that the equipment is in the 12/13 fiscal year.

DEPT. 512:

TA stated the increase is FRS is not controlled by us.

Milucky stated that his understanding is that we do have a phone system that will automatically answer and gives the departments for people to choose who they would like to speak to. We need to use the system we have in place; it is here and has worked in the past. As far as personnel are concerned, he is going to propose the following: eliminate the TA position; use what we have and bring on two other positions. Rivet stated that the Charter separates the positions. Franklin provided information regarding Chapter 2 of the Code of Ordinances regarding TA and charter for Clerk. Milucky stated that he is putting this out for Council to think about and discuss. This department is \$112,000 of the budget; re-assign duties.

Abare stated that we have all the rules and regulations; we do a lot of the same stuff that Palm Bay does and we do it with smaller staff. How do we do it with less staff? He doesn't see it. Mayor Beatty stated that there are issues with the charter and delegation with authority. The charter says certain powers are withheld to add another degree to it.

Acquaviva stated that last year the TA wasn't here and we could have used a part-time person then but we don't need a person now. Staff gets paid through lunch; no one clocks in or out. Acquaviva stated she has an issue with adding more staff to the TA because Sherear is backed up. When much is given, much is expected. TA heard what Acquaviva is saying; there is a decrease in the walk-in traffic with the utility being sold. She has been restructuring code enforcement for the last month.

Abare asked Milucky if he wants to eliminate the TA position. Milucky stated this is what he proposes; redefine Clerk's duties and include more staff with one full-time person and the accounting clerk. Reallocate and have more Indians. TA stated she doesn't cover code issues that involve work without a permit, septic tanks and access issues. Milucky stated that the code issues that have taken place involving him were not handled by TA; handled by other staff members. Acquaviva stated that we need to use the phone system when things are busy at Town Hall; she and her husband own their own business and when it's needed, they answer the phones because it has to be done.

Milucky asked about the TA contract. TA stated that it is renewed every April. Acquaviva asked about the administrative time earned and how it is collected. TA stated that it is in her contract and she collects it by working at home in the evenings and on weekends. Acquaviva asked if it is paid and TA stated no. Franklin stated that when administrative time is used, it is paid leave. Milucky stated that the TA contract was not reviewed this last April for renewal; it was not brought before Council to review nor was it brought to them last year. Milucky stated that there will be no changes to this budget at least until April of next year; no need to discuss this anymore tonight.

DEPT. 513:

This department is the accounting, auditing, Debby, Cindi and the part-time accounting clerk. Milucky stated that we spent \$36,000 for auditing and for basic accounting \$17,000. He stated the accounting services and audit services needs to be bid out. Take the part-time clerk to zero. He suggested that the auditor services be bid out. The outside accountant services were not bid out and they should be as well. We need to have a local accountant. We have had funds in the budget for a part-time accounting clerk and that hasn't taken off. Milucky stated that the

\$20,000 for auditing services is low; needs to go out to bid. There is a gentleman here name Frank, who is local, who does small city audits. Wayne asked to give this to the TA and TC to discuss and come back to Council with their input.

The part-time accounting clerk has been in the budget for 2 years. If we wanted someone here, we could get someone. Acquaviva stated that she made suggestion to go to BCC and get an intern to plug in the numbers. TA stated that when this was put into the budget, the decision that the part-time clerk would get into the finance side and Franklin would be the Clerk. Franklin stated, for the record, that is not the reason at all. At no time did Town Council discuss separating treasury and clerk duties. The reason for the accounting clerk was to bring the GL back in-house and stop using an outside accountant.

Acquaviva stated she was in the office today to sign checks and had a question regarding the invoice from the outside accountant. We are still paying \$1,600 a month for his services and we sold the utility. TA stated that the invoice is now for \$1,200. Kelley stated that the invoices have never gone down; we paid \$400 from the utility and \$1,200 from the GF. Now we pay \$1,600 from the GF; the invoices have never decreased with the sale of the utility. Milucky stated it needs to be bid out; Abare stated we need to keep it honest. Milucky stated that we need to get the best estimate for accountant with payroll.

Milucky stated that he recommends the following: 513.1210 to zero; 513.3200 to \$12,000 and 513.3210 at \$20,000. The FRS has gone through the roof. Franklin gave a brief overview of the increases for FRS; due to the State reducing contributions for the last 5 years and are now trying to catch up. Milucky thanked her for the information. Franklin, stated for the record, that this was pointed out at the first budget workshop but she didn't have the chance to explain it.

DEPT. 514:

This department is legal services. Acquaviva stated that this was an eye-opener for her when she signed checks today. His car travel is very expensive; was \$600 to travel to meetings. Rivet stated that Bohne is not charging an outrageous amount; we are paying less than \$250/hour. There was a nuisance issue that turned out to be huge; he didn't charge for that entire he did for that situation. Milucky backs Rivet 100% at \$135/hour; at this rate, it's a bargain. Mayor stated he advocated that we have one regular council meeting with the attorney here and the second meeting be a workshop that he isn't needed to attend. We have done meetings without him; use him better for one meeting. He would rather have attorney here for four solid hours then to come to two meetings. If he leaves early, then we wish we could have spoken to him about an issue. Bohne stays close to his budget.

DEPT. 515:

This department is the comp planning. Franklin stated that this budget is very conservative. P&Z are as close as they have ever been to bringing something to Council then they have ever been. When the comp plan is changed, the land development code is also changed to compliment the comp plan. The EAR is supposed to be done every 7 years; we hadn't done our plan for 20 years. We bid it out and awarded it to Calvin Giordano who is down in south Florida. All has been done in house; leave the budget as it is.

DEPT. 519:

This department is general government. Acquaviva made comment about the Engineer's billings. We paid \$2,000 for a survey at AAA Malabar Storage; why did we incur that cost? TA gave history behind the expense. The owner of the storage facility brought a site plan modification in; we found the fence was placed improperly on the property. This brought other

issues to our attention that needed to be answered. This is how the survey came about. The money spent was not allocated to the Engineer.

519.3100 - will probably see an adjustment because he holds his invoices.

519.3120 - \$1,000 \$1,000 in budget; TA stated it is responsible.

519.3410 – way under historical figures. We went with contract with Palm Bay IT Department; considerable savings.

519.3420 – e-City with surveys and Palm Bay IT. We have a virtual town hall on site; Palm Bay does IT stuff only, nothing to do with website.

519.3460 – cleaning of town facilities.

519.4900 – no longer have 3% to employees for FRS contributions.

519.4920 – revenues over expenditures – that is the money that is over the expenses at the 1.6630 millage rate. This is where the funds will come from when we need to have emergency funding.

519.4910 – Acquaviva asked where we are with Eagle Corp. Mayor stated that Eagle Corp people didn't want to sign up for the County Program; with the MSTU, we didn't get this benefit from the County. He was going to meet with County and get back to Council regarding this. Mayor is advocating that Council looks at what it is costing for the Eagle Corp & Building Inspector's vehicle; go to one vehicle and place stickers on the outside of doors for who is using it at the time it is out in the Town. It may be more cost effective because we can't keep fixing something that isn't worth fixing anymore.

519.6200 – two A/C units are in this budget line item; we have been told that the units we have cannot be fixed anymore. Angel Air came in and will give quotes for the units.

DEPT. 522:

This department is Fire Department. This budget did not change from the first one we saw; it is now balanced. Line item 522.4615 was added to show donation expenses. This was done to make it more transparent for donation expenses. This budget does not include an increase to the Chief's stipend. Rivet asked Council if there is a general consensus to increase the Chief's stipend. TA would like to know this information for interviewing purposes. Acquaviva stated that since she has been on Council, we have gone through three Fire Chiefs. She would like to hear from Dan Welton on this.

Dan Welton, Interim Fire Chief, came forward and asked if he could speak honestly to this. The amount of responsibility for this job is huge. The Chief will be managing 35 people for safety and training. He is also responsible for the future mandates from the state. We have aging fleet apparatus. The last time interviews were held, there was one gentleman, Chief Rock, who would have been a home-run for the department. He felt that Strandell didn't have a good grasp on what it takes. It's hard to hold onto people like that. At \$9,000/year, tempers flare. A ball park figure would be \$20/hour; not unreasonable. Abare stated that the \$14,000 is still too low. Rivet stated that the consensus was a \$6,000 bump in salary. Abare stated that you get what you pay for sometimes. Rivet stated that the chief's salary will be \$14,000 as it is general consensus of Council.

Milucky stated the contingency funds should be split up and use some of the funds collected from the millage to be used for some of the expenses. This way, more of the wish list items may be able to be procured.

The rest of the services are not under our control. The FRS isn't under our control. The fire academy training; do you see \$5,000 in income? It was asked what 522.3460 is. TA stated that this is the fire academy where we must have a certified instructor and a building to use for burn training. TA stated that 522.46910 is going down to \$7,000; most of what was broken has been

fixed. We have a new well and septic; we have a new contract for the water system that has also saved a lot of money. TA stated that 522.5210, which is operating supplies, has been bumped up.

DEPT. 524:

This department is the Building Department. The Building Official is the same as last year. Regular salaries and other salaries are the same. The increases are for FRS and insurance. Mayor stated that Council may need to enforce the Engineer submitting invoices on time. This is to be placed on the next agenda for discussion. TA stated that a new computer was added to replace the Building Official's along with the license and warranty. Milucky asked who Daryl is. TA stated this is the part-time Building Inspector we have when Cloutier is out on vacation.

DEPT. 539:

This department is Public Works. TA stated that 25% of the salary is here for the Public Works Manager. The other 75% is in Streets & Roads Department. The insurances and FRS is increased as well as worker's comp. These are the only changes. The additional staff will fall under Streets & Roads. The highest expenses are showing in Streets & Roads Department.

DEPT. 541:

This department is Streets & Roads. Milucky asked about 541.1200; in 2011 we spent \$97,000. We are now up to \$114,000 and haven't added any new people. TA stated that the Heavy Equipment Operator and classifications were increased. The individuals were upgraded to heavy equipment operators. Milucky asked about 541.3420 temporary personnel. TA stated that we don't ever call in for extra help. We have a member on staff at 30 hours a week to help catch up the mowing. If we hire an additional person, 541.3420 would go away for temporary help. We could take this line item to zero.

Milucky stated that the FRS is a big issue. He would suggest the Council opt to opt out of FRS. There are other retirement programs out there; one is a 401K. It was stated that you can't opt out of FRS but Council has the option to have new people hired be in another type of retirement plan. There are other cities, may be not in Florida that went to a defined contribution plan. This is to be added to the agenda for Council to discuss FRS/401K retirement plan.

The discussion turned to 541.4620, paving of roads; Eva Lane to salvage roads. 541.4610 culverts; TA stated that PW staff had been working on Weber Road project with lifting and replacing culverts. They have completed the job now and Miliore will be replacing the inventory of pipe. Council wants \$5,000 taken off this line item. TA stated that road millings will be showing as we have purchased millings. The TIFT funds need to be placed on the September agenda for discussion and realignment of projects. Mayor Beatty stated to put \$5,000 in contingency to keep the funds available to avoid a budget adjustment for Public Works. These funds are to be put into 541.4920.

DEPT. 572:

This department is for parks. There are no major changes to this budget. Milucky asked why you would rehab a park. TA stated that Huggins Park will be rehabbed to a senior's park. 572.6410 has \$2,000 for infrastructure and equipment; 572.6440 has \$4,535 for Huggins Park. Council stated to take to \$1,500 from \$4,535. 572.4600 is over budget this year; do we need to add more for the 13/14/ FY? TA stated that \$4,000 is good for this line item. Mayor Beatty stated that we need to put a handicapped port-o-let at the Disc Golf Park; Kelley advised Council that this cost is \$125.25 per month.

A motion to extend the meeting for 15 minutes to 10:15 pm is needed. It is general consensus of Council to extend the meeting to 10:15.

DEPT. 574:

This department is special events. There are no changes to this budget. TA explained that \$9,300 of funds is for Springfest and the other \$700 is for other events the Town puts on. Abare asked if Springfest would be two-day event. Franklin stated that it is general consensus of staff that two days is too much so it will be a one day event.

DEPT. 105:

This department is stormwater. Franklin stated that they will freeze the proposed non ad valorem taxes; we do not anticipate it changing. The numbers we have will probably be what we stick with.

Milucky asked that the Town Clerk put the difference in the amount of monies the Town would have with the various millage rates. He also asked that this be shown in the minutes as well. The following will display the break-down of the funds:

Millage:

1.6630 → 1.7000 Δ \$7,000
 1.7305 Δ \$ 5,000
 1.7700 Δ \$ 7,000
 1.8000 Δ \$ 5,000
 1.8900 Δ \$16,000

D. ADJOURNMENT

There being no further business to discuss, **MOTION:** Acquaviva / Milucky to adjourn this meeting. **VOTE:** All Ayes. The meeting adjourned at 10:15 PM.

BY: *Carl A. Beatty*
 Carl A. Beatty, Mayor

ATTEST BY: *Debby K. Franklin*
 Debby K. Franklin, C.M.C.
 Town Clerk/Treasurer

TRANSCRIBED BY: *Cynthia Kelley*
 Cynthia Kelley, C.M.C.
 Deputy Town Clerk

9/16/13
 Date Approved

