

MALABAR TOWN COUNCIL BUDGET WORKSHOP MEETING

July 10, 2012

7:30 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 7:30 pm by Chair Phillip Crews. The prayer and pledge were led by District 5 Council Member Marisa Acquaviva.

B. COUNCIL ROLL CALL:

MAYOR/CHAIR

VICE-CHAIR:

COUNCIL MEMBERS:

PHIL CREWS

MARISA ACQUAVIVA

CARL BEATTY

DAVID WHITE, absent

STEVE RIVET, excused

JEFF MCKNIGHT

TOWN ADMINISTRATOR:

BONILYN WILBANKS

TOWN CLERK/TREASURER:

DEBBY FRANKLIN

Chair thanked the TBRB members and others in audience. Chair thinks having the citizen participate in the budget process is a great idea and welcomes the participation. The goal is to provide enough info so the TBRB can make judgment calls on budget items. Don't need debate tonight on particular issues, but he encourages audience to ask questions.

Chair is not sure how many picked up packet early and had chance to read through the information. So he will let staff provide background. Chair turned it over to Town Administrator. TA explained the budget book layout, under each tab is the department, and behind the budget numbers are the definitions.

CM McKnight attended the Proclamation presented by the County for Tom Eschenberg and it was nice. Others did not know about it.

C. WORKSHOP ACTION:

TA anticipates there will change. She used the roll back rate (RBR) for the Ad Valorem. She prepares this and then takes direction from Council. Last year it was reduced back to prior year millage. If you have questions, please ask. TA went through the revenue numbers and explained the revenue sharing process. We use the State's recommended numbers that just came out this week. TA said we reduced the Utility Tax due to current receipts. This is one that Tom bumped up. Utility gas is at 7600 and Franklin thought that was a better number. CST figure from State is down significantly. Franklin explained that in the memo package, she explains that the Legislature is attempting to modify the formula for this revenue. This is one of only three revenue specifically given to municipalities and now they are trying to reduce the municipal share. Malabar has sent the Brevard Delegation a resolution opposing this action. TA said the Local BTR is at 23K and that is responsible. Bldg Permits is down again this year. Although we are picking up on individual residences, but not significantly and no big projects in works. McKnight asked if there are any for Weber Woods. TA said not yet but two are planned. TA went over the Franchise Fees for FPL and Solid Waste.

TIFT – Franklin explained that this is revenue that originated from Impact fees imposed by the County and collected by the County for new construction – both residential and commercial. The County approved a moratorium on this in 2007 and then has renewed it two or three times. It is still in place. Annually we have gone to the County with appropriate projects and applied for Malabar monies they had on deposit. We have gotten all of it except about 27K-29K they are holding because we were going to do a joint project on the flashing light at the Fire Department. That has now been pushed out and we will ask for that money as well.

TA said ½ cent sales tax is up so is a good sign. Fire insp fee is zero – she will put a line through it.

Cell Tower lease – BW – fix amount – sb 16,560. Franklin described for Council that the owner of the cell tower behind the Fire Dept has offered us a buyout in exchange for a perpetual easement and she will discuss with TA and may bring to Council. TA said from what she has learned about these types of activities it is not a good idea.

Water and Sewer Admin went away. This is what Utility Fund paid the General Fund quarterly to cover the costs of handling those operations.

Park Rental Revenue doesn't show soccer league payment That was done in June.

FD Training will be different. New Chief is very supportive of promoting training. He has met with Gianantonio to get these classes started. When the change came the classes did not continue. Chief Strandell said when we can offer the classes the volunteers tend to stick around more. TA talked to Chief briefly today and will bring more information back at next workshop.

Interest was reduced to 2500.00. Thought we were zealous at 4500.

New account number is for the sale of the utility – showing 125,000.00. Discussed how to handle the 250K in new revenue. Franklin explained that the sale will be handled with journal entries to show the payback of the original debt from the utility fund to the general fund. She had asked Council to approve a payment earlier of 50K and Council reduced it to 5K. McKnight explained that staff had asked for 50K but it was Council's thinking that due to uncertainty if they would need ready money for utility repairs they reduced it to 5K. Franklin said the balance owed from Utility Fund to General Fund is 108K. It originated from the waterline extension along Malabar Road in early 2000's where payment was directed from the General Fund and should have been from Utility Fund. Council directed payments until mid 2000's until they took action to temporarily halt repayment. Auditors have written a comment annually about the lack of repayment or direction to write off the debt. This will now be cleared. It is all done on paper. Once the sale is finalized, the Utility or Enterprise Fund will not exist. The bottom line is we will have 125K that will be coded as deferred income and then on Oct 1 will become a revenue for the 2012/2013 year. Council can direct that the amount be used or the amount be put into reserves.

TA reduced the Surplus sales to 0. Mayor had been at PW Dept and talked to PW Dir Tom Miliore and understood that the old Gradall is sitting there and the tires on it could be sold. He understood they were worth 5K.

CM McKnight asked if we could get a list of current assets.

CM Beatty said we have a new fire hydrant and repair kits and a tapping machine and a hydrant wrench. Franklin said we would not consider the hydrant wrench as surplus. Mayor said we also have concrete pipe that was bought for a project that was not done and may be some other things that we can get rid of.

TA will put Surplus sale at 5K

TA asked Franklin to go over her handouts.

Franklin went over the handout in the budget book that covers budget history, taxable value, sample tax rates using the roll back rate, Capital Improvement Plan as approved in 2011. Also provided the list they ranked. She showed on the tax bill where the Malabar levy is listed as well as the MSTU for law enforcement and at the bottom the non-advalorem for stormwater. That amount funds all the stormwater projects we do and we have had many culvert pipe failures due to age.

TBRB Member Tim said the \$36 for SW when the tax bill is only \$100 is what some are upset about.

TA said this Council is very involved. She thanks these individuals as they know where it is going and how it is spent.

TBRB Member Hans said their direction is to make recommendations so they don't have to raise taxes. Mayor said they should independently review and make recommendations. TBRB Member Bill said they do need guidance from Council. Don't know what Council wants.

Mayor said they represent a broad selection of Malabar residents. He doesn't think Council wants to bias the process but if some want to cut and some want to spend more, then maybe two recommendations would be appropriate. He thinks what Council is looking for is a consolidated consensus and if they provide a majority report and if necessary provide a minority. If you can come together on the recommendations such as spend more on roads and anything you tell this Council

TBRB Member Drew asked about accumulated depreciation. It is not shown on the budget and part of your operational costs have a depreciation component. Franklin said that the depreciation has not been shown in the budget in the past and has been one of the problems. She will provide the annual financial report for the TBRB's use.

TA said we have stepped up in the FD in last 5 years in purchasing equipment and for the last 2 years for PW. His point is they should help Council in determining the need to replace equipment.

TBRB Member Bud asked which assets in FD and PW are owned free and clear and which are still owed on. He also wanted to know the number of hours each piece of equipment is used; that might help the TBRB.

TA said there are none with an outstanding balance. She said to Council that such a request of usage vs. depreciation is pretty comprehensive. CM Beatty said McKnight already asked for asset list in PW and FD. It is going to be relevant. Franklin said PW Dir Tom has all his vehicles in logs.

Chief Strandell said selling off FD suppression activities could adversely affect ISO rating which is now a 4/8B which is very good for such a community. Mayor said this budget process goes on for a while and he will be able to defend these suggestions.

TBRB Member Bud said PW and FD are the two biggest depts. He is under the impression that maybe they are over equipped for the size of the Town.

Mayor said the PW Dir is interested in disposing of some equipment. He said his request is related to the budget but not included in the budget. He could put it in as a public records request but would rather have it for this Board. TA said there is not a need for him to put in such a request. He asked TA if she would repeat what he requested. Ryan asked TA to repeat back to him the sense of what he was requesting. TA said that he is asking for the vehicle list and hours used for FD and PW, primarily PW and she said she could more easily get the info on the PW vehicles. She will ask auditor for depreciation schedule on the breakdown. Ryan said just get PW. The PW is what he would like to consider.

TBRB Member Drew point of order, since they are under sunshine law, he asked about broadcast emails to all members. Can they communicate as long as all are copied? Mayor said that Sunshine meetings have to be in the public and they should schedule a meeting to share that information. That is what the Sunshine Law is all about. TBRB Member Hans asked if they could send info to Debby and have her send it out to all members outside the meeting. Drew recommended they keep it all in the sunshine. The assets and depreciation may influence some of the recommendations for capital improvements due to short term windfalls. We are all sharing the information. We are all volunteering in this.

CM Acquaviva added at this point that the handout on the CIP (capital improvement plan) and she would like their input on those projects as they should be updated each year and updated. She is interested in hearing how they feel about this for the next five years.

TA said that in the Capital Imp Plan is listed a restroom at the Sand Hill Trailhead and that has been applied for by a grant and we are still waiting to hear on that. Franklin will check on it.

Chair called a Break at 9:10PM to 9:20PM. Chair called the meeting back into order.

CM Beatty said regarding Sunshine, sending a communication to group is called taking the first bite. Can't respond outside a meeting. TBRB Jim said they can get advice from a Council member. Yes. You just can't act as a conduit and share that with another council Member. CM McKnight said by sending stuff accidentally and using Debby you could be making her a conduit. It can become a problem. Jim said you can talk to council person just not relay their position to another council person.

Mayor said the handout Clerk gave is pretty good and be sure to read it.

CM Beatty said the CIP plan has issues and anything related to water utility should be deleted. Mayor stated that when the transfer date is set, the utility dept will no longer exist.

Expenditures:

BWF – Stated that this budget remained pretty much the same as the last two years

By Departments:

511 – Legislative,

Adjusted the travel and per diem for possibility of three new council members and a new mayor to attend conference and the Institute of Elected Municipal Officials (IEMO).

Franklin said that this year we host the SCLC Dinner in January so we need to add money to cover those expenses. We alternate with Palm Bay.

Postage was upped to get back up to 4 newsletters a year.

Printing and binding – photos flowers etc and included another survey. Did a full mail out last year.

Did put back in 500 discretionary money for council.

Memberships covers and food for the Council.

Any questions? No.

512 – Executive:

Skip right down to operating expenses

She has not heard from FMIT on health ins.

She then handed out recommendation on raises to council. Has been four years without a wage increase. She went thru as showing rates FICA etc and do not impact any of these pages.

Most of hers stayed the same.

Any questions? No.

513 – Finance and Administration,

TA said this covers the Town Clerk's office and finance.

Election, this is increased for the election and the referendum questions this year.

Accountant stays the same this year for GF and is deleted for UF.

Auditor is confirmed

Acct Clerk is still working on this part time

Verify the formula in 513 so the reduction and increase.

Also discussed the need to keep records secure and safe if they are stored offsite. Franklin tried to explain the reasoning for the offsite records retention and also stated that she is working on calling boxes back to review and classify retention dates and then consider a local vendor. The idea was to have permanent records stored inland and in a secure building for recovery purposes. We learned in 2005 that some of our boxes were actually in Tampa in the track of the hurricane.

514 – Legal

Left the same.

515 – Comp Plan

We did increase this for Comp Plan, Land use changes to FLUM and updating LDR.

519 – General Government

Meeting with PB to look at possible IT same as we are doing with PW fleet maintenance.

BTR software stays the same

Security on building goes back in.

Cleaning building stayed the same.

Postage left the same

519.4800 – number remains the same as the last year to make whole the employees regarding FRS. Explained to Jim why the employee pays this. Is this the right place? They question why it – it is employee contribution. It is a raise. It is a duck. It is misleading. It wasn't a raise it was a stipend. Not a promotional expense. BW will talk to the accountant about this. Jeff said it is an across the board increase.

Increased Eagle Corp – car is getting pretty old.

522 – FD

She may give different numbers at next meeting. He has ideas and issues with staffing levels. Wants to go over with them more and it doesn't really draw in volunteer considerations. These numbers are her numbers.

We have 4 part time FF and there was a quite a bit. Had a lot of volunteers. Moving these people and will get back to you on that.

Do have life and dental on him and not health so we can take advantage of the min 10 to cover.

Verified no increase with pest control. She will be going out for new quote for FD and also at the park.

Net directive is direct not allocated.

800 MHz has been verified. Get the number of radios verified and each cost is times \$114. County would not verify the number. Wants him to get in writing on the number of radios.

Vehicle main was reduced based on what was spent to date. Ladder truck is still not operational. They are going over the vehicles. Reduced maintenance from 8K to 6K on building. That may go back up.

Reduced other current charges.

Ofc supplies

Fire academies – get price from Chief on price of materials for training classes.

Operating down based on what they spent.

Fuel increased based on what they have spent.

Go to page 17 – two of the vehicles were paid off. The 30,400.00 was a payment. TBRB Member Jim said it should be in the reserves. Somewhere it should show how the pay back is made. Should track it in a balance sheet account number. TA recognized that but stated for transparency to council and residents they show it in the budget.

McKnight as why did we spend 13K on interest. That was last year. Disregard.

524: Building Dept

TBRB Member Bill asked about life and health; how many people did that cover? TA said that is the family plan for one individual. Bud said she does do a lot more but town also pays for her health and

dental for her family. TA said you can't base it on status of family. Some govts require employee to pay 50% of family coverage cost.

Dropped planner down but it may put back in; need to talk to Franklin.
Did not drop the eng down as we have much engineering review.
Rentals and leases is the copier.

Software security sb training and that would train. 524.3410. TA will correct on both budget page and definition page.
Office supplies went up because paper has gone up.

539 – Public Works (PW)

This is separated so you can track what you spend on roadway and it is vey time-consuming . PW Dir is carried in both as 25% and 75%. He works in both.

No real changes here

541 – Streets and Roads

Did not budget for ditch spraying so left it out Council
Down to rock on Glatter and needs millings.
Temp help put in 10K
When we put in pipe it takes all the staff and when that happens we needs someone to mow.
541.4630 paving and capping. Listen to tape

TBRB Member asked where the revenue was to offset the 40K in paving. It is for maintenance Town is required to do. TA explained that some residents have come forward to request hard surfacing of their roads and some method of paying for that must be considered.

TBRB Member Bill said Council took vote years ago and said they did not want the lanes paved.

Franklin said the Code allows for the residents to petition Council for hard surfacing would be looked at case by case and after estimates are received and if petitioners still want to go forward then the Council decides how to pay for project; either by taking from reserves or getting a bond or loan. It is not something we budget for. Franklin stated that on July 16 the Ordinance providing for this process will have a public hearing. Also at the last Council meeting Council approved a resolution providing for assessments payoffs of up to three years. No interest charged. McKnight said the idea is that the paved road will have more value and thus pay more tax and the Town will benefit probably more than any interest rate these days. The money in this expense line item is for Town obligations on collectors and paved local streets. CM McKnight agreed that the roads sb paid by reserves. Also paved road is more value which equals more taxes. TA also said the maintenance on a paved road is much less so the Town saves in that way also.

At 10:30PM: MOTION: McKnight / Beatty to extend for 10 minutes. Vote: All Ayes for 10 minute extension.

572 – Parks

Put in a new mower and it will be used here and that is why it is there. Back of soccer field and fence needs repair. Put in 2K for play equip for rehab. Also put in for rehap at Huggins Park from kids lot to Senior Park

574 –

Added Cow Bell 5K
CM Acquaviva said it is a Friend Raiser not a fund raiser.

D. ADJOURNMENT

There being no further business to discuss,

MOTION: Beatty / Acquaviva to adjourn this meeting. **VOTE:** All Ayes. The meeting adjourned at 10:40PM.

BY: 

Mayor Phillip R. Crews, Chair

ATTEST BY:



Debby K. Franklin, Town Clerk/Treasurer

7/16/12
Date Approved
AS submitted

