

**MALABAR TOWN COUNCIL BUDGET WORKSHOP MEETING**  
**August 2, 2011                      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 Thomas Eschenberg. The prayer and pledge were led by District 2 Council Member David White.

**B.     ROLL CALL:**

MAYOR/CHAIR

TOM ESCHENBERG

VICE-CHAIR:

MARISA ACQUAVIVA

COUNCIL MEMBERS:

CARL BEATTY

DAVID WHITE

STEVE RIVET, excused

JEFF MCKNIGHT

TOWN ADMINISTRATOR:

BONILYN WILBANKS

TOWN CLERK/TREASURER:

DEBBY FRANKLIN

Mayor explained previous night's Council meeting and the "dual office" question. P&Z Members hold an office. Question was raised about members on that Board also sitting on the Taxpayer Budget Review Board (TBRB), another Sunshine Board. Mayor asked Attorney if it is true that they would be holding dual offices, who would get in trouble. Attorney said the Board would. Based on that he asked Council for motion to dissolve the TBRB. Now there is no Sunshine Law requirement, you can talk amongst yourselves. Chair suggested they pay attention when Town Administrator goes through the budget. Raise your hand and ask for clarification. After meeting, get together have your own meeting and come up with own recommendations. Next Council workshop is a week from tonight.

Bud Ryan wanted to thank Mayor for interceding on behalf of the Board. CM McKnight said from the Attorney last night, the dissolved Board is under no direction from Council. Nothing that happened in the past is applicable now.

CM Acquaviva said she is the one that asked the Attorney about the P&Z Board Members serving on the TBRB. She called Clerk before asking Mr. Rossman because she thought they were trying to use persons that hadn't served before. She thought the purpose of the TBRB was to get other people involved. If it was something their selections could get in trouble for, she wanted clarification.

Chair turned over to Town Administrator (TA)

TA said if the audience writes notes going through the budget regarding something that would help, please share with them with her. Last year, they asked for previous year's spending info and she added them this year.

Wayne Abare said we could send recommendations individually to Town Hall. Yes.

**C.     WORKSHOP ACTION:**

**1.     Review 2010/2011 Fiscal Year (FY) Proposed Budget**

Chair said this is the first review of 2011/12 budget. Tough year. What staff has proposed represents a millage of 2.0651 - that is the amount that would provide a similar amount of revenue to the Town as last year. The Mayor has done a calculation and states that represents a 24% increase over 1.6630.

The current rate is 1.6630. He wants to remind Council. If you are not going to support that increase, develop ideas on where to cut. He did a calculation. Every 1/10 of mil is worth about 16K.

Marisa said the millage rate in proposed budget gives us the same dollars as last year. TA said yes.

TA wanted to first report to Council that due to the storm brewing, they have participated in the first Emergency Operation Center meeting via internet. TA reports Hurricane Emily winds have increased to 50mph. The cone projection is more to the east. Will have more data after Wednesday evening. She will keep Council updated. She wanted to let Council know they have discussed preliminary steps to take regarding this incident.

TA started by explaining that the Council held a Capital Improvement Workshop with Boards and Council in April. A list of projects was provided by staff on projects they had knowledge of being needed and a list of priorities came from that meeting. The Budget she presents only includes two of those items – basically: Dept 513, add a PT Accounting Clerk. Moving towards bringing the accounting process in house. Franklin felt that this was important to move in this direction. TA said the Accountant may reduce his cost if this proves to reduce his costs.

In the Dept 541, we presented to Council we needed a tractor and a bigger mowing head. The type of terrain we are using the Z-track on is causing much repair costs. They are used quite heavily. She asked Tom to research and got cost of new vs. used tractors. We are still getting prices. The price in budget includes a used tractor and new mower head. If we had to replace a Z-track we would need to budget 10K. This bigger tractor and new mower head will also allow us to not have to contract out for the mowing of the parks – savings of 15 to 16K. No increase in pay for employees. A 10% increase in their portion of dental and a 3% reduction in all employee pay due to State requirement for withholding this amount from employee pay to send to State to go towards their pension plan. It is our understanding that they are using this amount to balance many city budgets as well as the State Budget.

CM Jeff McKnight asked for the financial impact – 15,500 in Dept 541 for a used tractor and new mower head. The other item was in Dept 513 – amount of 10,800.00 for an Accounting Clerk.

Chair said as they complete a section, he will ask committee if they have any questions. Chair said they have to understand so when they go into their own meeting they will understand. Don't try and figure out tonight what areas they want to cut.

TA Wilbanks said that the revenues are dictated by use and the State gives us the estimated numbers. Formula she used when revenues weren't provided was essentially was amount at end of May divided by 8 and times it by 4. Mayor said regarding BTR aren't most of revenues received in September and October. Yes. She will look at this number.

Wayne Abare asked about last page of handout - asked about the various millage rates. He is not seeing that number in the budget. TA explained that she used the millage of 2.0651 that would bring in about the same amount as last year in ad valorem revenue. The other numbers were if council kept the same millage or if they went to the maximum they approved for the budget discussions. The Budget they are reviewing is using the same amount as received last year.

She continued with revenue review. Last year the Mayor increased the FPL franchise fee. She used formula. The Electric (FPL) Utility Tax may go lower due to foreclosures. The Solid Waste (WM) Utility Tax may increase when we get the number of WM paying customers back up. She said they have been told that 30% or about 350 customers aren't paying their WM bills. TA said she contacted Milo Zonka of WM last night after RTCM and learned that WM has put in a new customer service person to assist Malabar and they also did away with the sticker requirement in Malabar.

Bud Ryan asked if there is an incentive WM could or does use to get them to pay. Chair said we have an ordinance that requires Malabar residents to subscribe to WM for trash pickup. Mayor said the number may go up to 22K in franchise payments revenues if we could get customers paying again.

Question on what OPSA stands for in budget description – Other Permits, Fees, Services and Assessments.

CM Acquaviva referred to Mayor's breakfast on Monday where local Mayor's presented their local conditions. She thought it was very interesting. The Fellsmere Mayor referred to several grants they had gotten. Why couldn't we do same? TA said that one was the CDBG and we tried for that along parts of US 1 and Malabar Road and didn't have the qualified low income area. The other grant required a master plan that costs a lot of money to get. TA said she got on in golden Beach for several million but had to pay 200K for a master plan. She has a FRDAP grant that a Park Board Member is working on but there is not funding in this next year.

Wayne Abare asked about TIFT (transportation impact fee). TA explained that County initiated a moratorium on that impact fee for two years and it is continuing.

Need to add revenue to traffic signal maintenance in at \$4511. Franklin said we get one annual payment for our portion of maintenance expenses on the two traffic signals on State roads. The payment comes in June. TA formula had no revenue to pick up. She will add in an amount of 4511.

TA said the County portion of BTR (business tax receipt) may also go down.

FI (fire inspection) fees were removed by direction of Council.

Cell tower revenue stays the same until they get additional tenants on platforms on tower.

Administrative Fees for Utility Fund stays the same. Paid quarterly at \$1,900.00.

Park fees based on formula.

Spec Event revenue if we go to expanded event this could go up.

FD training – reduced to 8700. Chief talked to Anthony Gianantonio about teaching. Last year Joe Gianantonio was Chief and he was going to stay and teach – that is why the number was up. Then he left.

FF (fire fighter) backgrounds – it is a wash

We receive 30 per lien research.

Fines and forts used formula.

Donations she used formula.

Regarding 369.3000 we can't budget for proposed insurance refunds per Franklin. Franklin stated that she tried to receive this money in a past year as a credit in the insurance expenditure line item and due to question from Mayor this issue was discussed with both Auditor and Accountant and Town was told that you can't *budget for a proposed or possible rebate or refund* you may or may not receive on insurance payment.

Finally, she is taking \$16,975.00 from reserves to balance the budget.

Per Bill Withers, should we add \$4,511 to that bottom line on revenues? Yes.

Chair asked if there are any questions on revenues. Does committee have any questions on revenues? No.

She asked Franklin to review reserves before she starts on expenditures.

Franklin said there are 1,055,000.00 in reserves. Reserves are monies over and above what is necessary for operating costs. These are monies that can be designated for capital improvement projects, disaster recovery, and accrued liabilities, for example.

She went over the breakdown. Handouts were given to Council, on the overhead and copies on the side table.

**Expenditures:**

BWF – Stated that this budget remained pretty much the same as last year.

CM David White asked roughly about the difference of 200K in the Budget Summary sheets. TA sees the error on the sheets and will make correction.

Mayor said look at previous years and look at columns to left it shows what was estimated and what we actually got.

Mayor said the big number is the TIFT and is now called impact fee. He said if you want to compare apples to apples you need to provide for that. Last year it was over 200K

Wayne Abare asked what the projection of what we are going to spend for this year. How close are we to actual for this year? Mayor said look at 09/10 column.

Wayne Abare said what the expectations are. He said we saved last year. Bill Withers asked TA to give us a SWAG on what it will be - scientific wild as guess. Does she plan to come in under or over the budget? TA keeps a monthly financial on expenditures and as of the end of May the total expenses for this year are at 6K less than budget.

Wayne Abare said TA Bonnie has done a wonderful job. He asked if they are cutting salaries. No, not cutting; the State is requiring employees to pay 3% towards their own retirement. She gets 10% paid towards her retirement per her contract. TA said if you do the same thing next year that we did last year with bonus for some. TA said the wild card is road maintenance. Mayor said do best you can.

TA explained that throughout the year we do budget adjustments. Once a month she puts out a variance report and she looks at every account and then prepares the budget adjustments. Good accounting practices state you should have the money in the expense line item before you expend it.

Hans Kemmler asked where is Malabar's portion on tax statement. Franklin explained that about a third of the way down you will see Malabar, below that is law enforcement MSTU and at bottom they list the two non-ad-valorem taxes: stormwater and solid waste (land fill).

TA explained that the budget only includes two items that were discussed at the Capital Improvement Workshop in April and approved by Council in May for consideration at budget time.

**Dept 513** – PT Accountant Clerk

**Dept 541** – Used Tractor/with new mower head (1000 hrs) Z tracks are \$9,000

There is no across-the-board increase for employees this year. Every employee will receive 3% less in their paycheck due to the change made to the FRS system and an increase of 10% in dental coverage expense. All other changes I will address by department as we go through the budget. The pages after the department expenses are the definition sheets for each line item.

**Departments:**

511 – Legislative,

Adjusted the travel and per diem. Removed the staff amount for co-hosting the SCLC. No changes on legislative. Any questions by Committee. Hans Kemmler asked about method you used – the formula – did she use that on expenditures. TA said on some. No other questions.

512 – Executive,

TA explained these are her expenses. Did not include an admin assistant again this year. This was cut last year. It is not something she wants to cut permanently but due to economy has cut it again this year. FRS went down, due to restructuring of system. She gets 10% per her contract. No insurance increase. We saved money here – also health ins. Employer pays only 75% and employee pays 25%.

CM Marisa Acquaviva asked about the lack of funds budgeted for unemployment – TA called the State and the quarters have been paid to Sharon; shouldn't be any more that she is able to receive but thought that before and Federal Government extended the unemployment. TA said we can't budget for this. She doesn't foresee it being expended.

TA said the level detail she provides was not provided before and started doing this to provide transparency.

512.4000: She reduced education and travel – this is the third year of not attending her professional training. Now a push at local FCCMA (Florida City County Managers Association). She also will get her level II code training. She voluntarily reduced her car allowance to 600.00 and she pays her own taxes. Car allowance is also per her contract at \$600.00 plus taxes so she can clear \$600.00. Same with 10% for retirement.

Hans Kemmler asked about Acct clerk. That is in the Dept 513 Finance and Administration.

CM Marisa Acquaviva asked about reducing Accountant's costs. TA said she is not ready to do that until she sees how well it works. In order to accomplish that Franklin said she needs an accounting clerk to bring it in and put in data accurately and have Augie the accountant check. He will still maintain the financials. Acquaviva said he is offsite. TA said it is sent electronically. TA said this may reduce some of his costs. He has said he may be able to see that he will do less work to do. It depends on how well they do.

Mayor said look at the expenses. If you want to reduce 16K from the budget, look for area to reduce 1/10 of a mil.

Bill Withers asked about the background checks. She is also HR (Human Resources). She wears many hats. TA explained that Clerk can't be HR person and the background checks have to be done on new employees of the Town; also physicals and drug screening. Bud Ryan asked if there was a difference in background checks between employee and management. Yes there is a difference. TA said they hired an investigator for her background. TA said they can only ask date of hire, date left, and would they rehire. Most don't answer that last question. TA explained the acronyms. She did not put in for the laptop she told Council she needed. Her hard drive crashed and she transferred the new computer from the Clerk's Dept to her department via a JE (journal entry) done by the accountant.

Any questions? None

513 – Finance and Administration,

TA said this covers the Town Clerk's office and finance. Wayne Abare asked if this was just Debby. No, it is Debby, Cindi and the Part time Acct Clerk.

TA said she lowered the FRS here but kept in the balance we owe for the upgrade council approved to Debby's SM (senior mgnt) status. Part was paid this year and balance in next year and is still less than we budgeted last year. Wayne Abare said the reduction in FRS is significant. Quite a savings. They have also put in here for the PT (part time) Acct Clerk. Also have some budgeted for part time help in office when someone is on vacation or sick for extended time, etc. Same notation under health ins, etc. TA said that Franklin also reduced the training for the Clerk's Dept for this year to only local training and webinars and her mandatory eight (8) hours of investment training required by statute.

Mayor questioned the amount budgeted for Elections. Franklin said it should be 4177.00. That is the estimate from the SOE (supervisor of elections).

As capital item, they have a new laptop for 1000 to cover the laptop, plus operating system and then migrate the info from the existing, an internet card etc. Many people commented that laptops could be found cheaper.

Bud Ryan asked about the prices for Iron Mtn – offsite location for storing records. He submitted request to Town Hall to check other vendors that are local. He actually called one and spoke to representative and was told they could beat any deal we have. TA explained Franklin is researching the use of other vendors and the cost of Iron Mtn. There are other considerations in storing our records offsite. You want them in a location separate from Town Hall and inland incase of storms. There are also a lot of costs incurred for retrieving building records for residents. We as staff are looking into this. TA explained that Cougar Mountain is the vendor for our accounting software.

IMS is software vendor for building permits, utility billing, and business tax receipts.

Bob Siegmann asked about 513.3200 and 513.3210 and the 75% referenced. TA explained that 75% is paid to the auditor and accountant for their work in the General Fund and then 25% in the Utility Fund since that is a separate fund.

#### 514 – Legal

TA did not increase this. Wayne Abare said this amount is to have attorney attend meetings and do the work directed by council. Mayor said Councils have an attorney to keep them out of trouble. Bill Withers said they pay for attorney to babysit the council. Mayor said that he has thought about suggesting having him only here every other meeting. If need a legal response, then postpone it to another meeting. The Mayor is not ready to make such a recommendation. CM Marisa Acquaviva said we use the attorney a lot. She referenced the last several meetings.

#### 515 – Comp Plan

We reduced this. This will not nearly cover the cost if we do the proposed Comp Plan changes P&Z is working on. The use of the planner is to comply with the law in getting this done. Franklin suggests leaving it at 3K. Mayor said look at last year. Wayne Abare said P&Z Vice chair Pat Reilly has done the work on the maps and we shouldn't need too much professional. Mayor agreed.

#### 519 – General Government

Increased the engineer cost. This number will change when she plugs in the June numbers.

Many in audience referred to page 18 rev, proposing to spend 5K to landscape the front of this building. White said it is also to do structural changes to front of building. Mayor said it is for materials and hopefully the labor will be donated. Bill Withers said we have been working on getting a new town hall and now we are going to spend money on this building? Mayor said it was a discussion by council. Front area to expand the foyer and replant vegetation.

Wayne Abare said there is also 10K in budget and asked if that is the same project. No, TA said that is for the replacing of the septic and close the existing well and that must be done this year.

Property liability and insurance. She foresees this going down. The rest are pretty much status quo.

Wayne Abare asked about electric – this is only for this TH. The building dept pays its own portion. She will look at June numbers and that may change.

#### 522 – FD

FRS has been reduced by state and is more responsible.

Also the night stipend is under same account for special pay – 522.1500. Add 7300 for night stipend plus the pay per call she has budgeted. Did not put it in before they decided last night. Mayor asked about fire Marshall. TA said the Fire Marshal resigned. She asked him to train the Fire Fighters and he resigned. Wayne Abare asked about the pay for Fire Chief – is that annual? Yes he works for a stipend. It is a volunteer station. The next line item is the secretary and the four paid part time fire fighters.

TA explained they changed the Malabar Fire Department to a combo department to get more coverage during the day. They brought in the two (2) paid part time fire fighters to assist Chief Joe Gianantonio to help cover calls. Joe was responding by himself. Then it was upped to four (4) fire fighters to help cover more shifts. Then they scheduled to always have two there. Then they put the paid part timers from hourly to stipends so they can cover more time. Put them on stipend. TA asked the Chief to explain shifts. Chief said Sun-Thurs 8-4 and then Sat noon to Sunday eve. They were budgeted for 80 hours – there is a Lt there every day; not every hour but every day. The other volunteers are staggered. Fill in with stipends.

Bud Ryan asked if there are times when there is only one person at FD. Yes. They are volunteers; it is the nature of the business. Bill Withers said there are times when you can't respond until someone responds. Dan Welton said you can't make entry until there are four (4) persons. It is an OSHA standard. They are a volunteer department and there are times when no one is there. They respond when there is a page.

TA said in her last city they all lived in town. CM Marisa Acquaviva said in town she is from in PA they also were in the town. Chief said there is only one member that lives in Malabar.

Wayne Abare asked what is the minimum manpower to release a truck. Chief said two (2). We also have mutual aid. Call for aid right away if there is a structure fire. We have mutual aid not automatic response. Brevard County is the transport agency. Wayne Abare asked about response by EMS. County provides ambulance service for entire County. Mayor said concentrate if you want four (4) persons there. Wayne Abare said if they put a facility in that requires a lot of EMS calls; would that be a burden to Town? Chief said County responds to EMS and does transport. Chief said if we could expand to do a 24/7 coverage we could recoup some money for response.

Bob Siegmann asked about 519.3410 and 519.3420 and same in 522. For netDirective and internet services. TA explained each department pays for their Internet services by Brighthouse for both Town Hall and Fire Dept. Both have a server and need the netDirective services.

Bud Ryan asked about a public records request he made several days earlier in anticipation of this meeting. Franklin said the request came in at 3PM this date and she has sent it out to him before she left work today.

#### 524 – Protective Services (Building Department)

TA said she took the money out for the Fire Marshal. Building Official is 15 hours a week. There is still not much work coming in. If that increases, we would add hours. Under health insurance that number went up. The employee added a child. That is the increase. Much discussion about the amount of insurance for this department. CM Marisa Acquaviva said the health insurance is a lot; she has family coverage with her business and it is not that much. Can we check with provider? TA explained we went to FLC for health and dental last year because their rates were considerably less than what we had been paying. It is for everyone. The rates are low for single and even single with spouse, but when you add family it goes up a lot. TA said it does not cover the part time Building Official. The employee is paying 25%. Insurance is for Denine and family. CM Jeff McKnight asked why 5200 increased.

#### 539 – Public Works (PW)

TA said she is changing Tom Miliore's title to PW Director. He has been underpaid from the start and she has asked for an increase in his pay to \$40,000. The talent he has brought and the amount of money we have saved because of his skill level. He also does repairs. He has been underpaid. He is also a supervisor. PW Dept had replaced 15 culverts this year to date under his leadership. TA explained also based on that his salary is split between the Public Works Department and the Streets

and Roads Department. Personnel services show that 25% of Tom's salary in this dept and 75% in Streets and Roads. The split is to show the larger number in 541. The County prepares the revenue sharing based on 541 accounts. Rossman asked about reduction to FRS.

#### 541 – Streets and Roads

75% portion of Tom's salary plus hourly. There is no overtime budgeted for Springfest.

Regular salaries how many persons – there are four (4) hourly persons. Why did 1200 account go up? There are two positions that promoted – looking at job categories. Two persons moved to heavy equip operators. One of those individuals is also a welder.

Machinery and Equipment – that is a large number because it includes road projects. Explain the revenue sharing for local option gas tax.

The ARRA number is done for the stimulus projects that finished this year.

TA said we pay an outside grader for some of the roads. Bob Wilbur promoted a type of box blade – very basic and it would help us to do most of the roads our selves. This one turns with an angle.

TA said she put in an amount for a used tractor with new mower head. Got best offer on financing at 5% by Caterpillar. That gives you the general idea. They have not settled on a specific piece. They are looking for a used tractor. The Mower head will be new.

Hans Kemmler asked about the 36K paid under this year. TA said it is for the used pickup truck and two (2) mower heads.

Gradall and interest will over two years. This is last year. Even with doing culverts and buying a tractor. Mayor said the money in this department is also a skewer. Make an adjustment for the 214K and the 139K for impact fee money. There is a revenue number that matches that exactly. There is really a delta of 75K delta.

#### 572 – Parks

Put in 7K in case we can hire a temp for mowing during heavy season. We could lower that or remove it. Wayne Abare asked why the number is lower. Since we took over mowing. The mower and tractor goes one swipe instead of three. If we got the tractor we would reduce the time. Bringing it down. We are not adding a staff person. The 7K could go. We might need to go to contractor to get it mowed. Buy equipment and save the money.

Hans Kemmler doesn't understand the 15K for this year. TA said this covered projects approved such as the bleachers, cameras, kiosks, and driveway for Gold Disc Park. TA said the 4K showing in budget for next year may go down on next budget sheets for next workshop. She will be using that money to do the repairs on the ends of the dock over the bridge over lake at Malabar Community Park. Wayne asked if it would go down. No it will either go down or remain the same. Mayor said that is another wash number that will go down to revenues and expenses.

We could take 1000 from the Sand Hill Trail. Mayor said last year he didn't like to take it out of reserves, but he proposed taking money out of reserves to pay for Gradall and save interest. Buy it and save the interest. Council didn't want to use reserves.

Mayor said he has done this for 13 years and this is the hardest, most challenging year yet. He doesn't have heartburn using money from reserves this year.

574 – This has gone up for Spring Fest and 50<sup>th</sup> Celebration. It is a very large good community event. A two day event is going to cost more and may be a 2 day event.



She doesn't go through the sw or utility.

Chair asked if there were any questions. Mayor asked where the nearest County Fire Departments are located. There is one on Valkaria Road in Grant-Valkaria area and Barefoot Bay. We have more equipment than either of those departments.

Mayor comments:

Mayor has gone through his own budget and only had two days. By next WS week from tonight, same time same place. He will get out his version. CM Jeff McKnight asked for copy to be sent to clerk to disperse. Mayor said the audience interest is appreciated by Council. This is the 13<sup>th</sup> time and it is the hardest budget he has seen. Any suggestions would be appreciated.

TA asked if we could start earlier. Next meeting could start at 7PM.

Call staff and council members. Wayne said the assessments are dropping and the revenues sharing are down.

#### **D. ADJOURNMENT**

There being no further business to discuss, **MOTION:** Abare / Beatty to adjourn this meeting. **VOTE:** **All Ayes.** The meeting adjourned at 10:30PM. (video not taken of budget workshop)

BY: Thomas M. Eschenberg  
Mayor Thomas M. Eschenberg, Chair

ATTEST BY:

Debby K. Franklin  
Debby K. Franklin, Town Clerk/Treasurer

8/15/11  
Date Approved