

MALABAR TOWN COUNCIL BUDGET WORKSHOP MEETING

July 27, 2010

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 Brian Vail.

B. ROLL CALL:

MAYOR/CHAIR

VICE-CHAIR:

COUNCIL MEMBERS:

TOWN ADMINISTRATOR:

TOWN CLERK/TREASURER:

TOM ESCHENBERG

JEFF MCKNIGHT

NANCY BORTON

BRIAN VAIL

STEVE RIVET, excused

MARISA ACQUAVIVA

BONILYN WILBANKS

DEBBY FRANKLIN

C. WORKSHOP ACTION:

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

Chair said this is the first review of 10/11 budget. Thanks the TBRB for volunteering and hopes they come up with good ideas. The primary purpose for TBRB is to listen to Council as they go through the budget. As they complete a section, he will ask committee if they have any questions. They have to understand so when they go into their own meeting they will understand. TBRB shouldn't figure out tonight what areas they want to cut.

Franklin asked Chair if she could provide overview on budget and taxes before TA reviews budget in full. Next Budget workshops are August 10 and 24. She has provided memos on some of the budget items and put copies on credenza for citizens.

We have approximately 678,000.00 in reserves, both restricted and unrestricted. Over 350,000 in reserves that are not restricted. Of the restricted, we have 43K in Utility reserves, 167K in Stormwater reserves and 85K in TIFT funds. That is over and above the operating budget. We also still have about 33K in the SBA.

She showed the proposed budget with pie chart. Using the proposed millage of 1.8000 in the budget we would still need to use 41,950.00 of reserved funds on deposit to balance the budget. We may not have to use it. The budget is a spending plan. If we used the rolled back rate of 1.8832, we would only need to use \$24,827.00. Slides were shown for the following:

- The 2009 final millage – Malabar assessments and the corresponding pie chart.
- A schedule showing all cities in Brevard total budget for 09/10 and what amount was for fire budget.
- The breakdown for each millage code in Brevard County. All areas using Brevard County for fire service are charged .6187 per 1000 of value as a MSTU for fire service. There are handouts on the back credenza or she will make copies if anyone is interested.
- A copy of the Malabar DR420 from Brevard County showing gross taxable value at 216,629,913 for Malabar was shown next.
- Then from the Dept of Revenue, a comparative table from 2008 and 2009 showing assessed values, homestead values, exempt values and taxes levied.
- Next table further breaks down the total exempt values in Malabar and totals them at 57,752,701. This number is provided to the Florida Dept of Revenue by Brevard County Property Appraiser.

- Next is a typical tax bill for a vacant parcel in Malabar and municipal taxes are 99.78 and law enforcement MSTU is 60.08. Then a typical improved parcel showing municipal taxes at 404.46 and Law enforcement MSTU at 243.53. For comparison, an improved parcel in G-V showing taxes of 210.74 and MSTU for law enforcement at 222.03 and a MSTU for Fire Control at 137.19.
- Lastly, I have a list of proposed millage rates from other cities and their rolled back rate for the upcoming year.

TA Wilbanks said that the revenues are dictated by use and the State gives us the estimated numbers. For other revenues like building permits, we look at proposed plans. She asked him Building Official and he contacted those projects he knew about. Since the County renewed the moratorium, MIMA is putting off expansion so building permit fees are conservative.

Chair asked if there are any questions on revenues. Does committee have any questions on revenues?

Expenditures:

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

511 – Legislative, adjusted the travel and per diem. Mayor asked for League of Mayors to be deleted. BW stated last year he wanted it transferred. Mayor said delete.

No changes on legislative. Any questions by Committee.

No other questions.

512 – Executive, BWF explained these are her expenses.

Lowered conference monies. FCCMA was local and she went over for one day. There isn't much changed. Did not put in for a replacement for Sharon. We all wear a lot of hats.

The biggest increase is health insurance – she added 14% to premium. Because we are under 100 personnel, we sit in pool. Won't have numbers until mid August. That health insurance increase is in every department. Sharon's expired in March 2010 and she has not had any further notification. Any questions. Stuart asked if Sharon gets unemployment would we have to move money into there. Paid in Oct and Mar and then we paid. Sharon left because she filed for SS. The year expired in April 2010. If there was another bill, we would see it. WC rate was the same. We have been told there would be another discount.

On FICA taxes, we are budgeted 5300 and then spent 6300 – Bonnie will double check those numbers. We should have had a budget adjustment. 4900 also same issue. Spent more than we budgeted. It was lowered due to physicals for new hires. There is also a new hire in the FD. There may be money coming from FD physicals. Don't anticipate having that next year. Also 5400 same thing, but TA dropped the EAF. Vail said the total expenditures are 4K less than last year.

Any questions? none

513 – Finance and Administration,

The FRS retirement contribution has gone up for retirement. All of the departments will see increase. She explained the increase for the senior mgnt status in 2007 required a payback and we will be budgeting \$1000.00 this year and then the balance next year for this invoice. Also regarding the life and health also reflects increase at 14% for Franklin and Kelley.

Wilbanks then stated the FRS retirement contribution requires this to be paid on each FF and they are high risk. So she also increased it in FD.

Wilbanks stated she had received a confirmation from auditor on keeping the same rates as last year. She has not heard from accountant Augie Torres on whether he will hold to the same amount for this next year.

Chair asked Franklin to speak to her memos to Council regarding employees. Franklin referred to memo: she is recommending that Council revert back to original cap on vacation and reset it to 240 hours. The Town must cover the financial liability for these costs. They were increased for two employees and they are gone and the policy should be changed. This will save money in the overall financial statement.

Franklin also recommended pursuing insurance rate price checks and increasing employee cost share on health and dental to 30%. The Town currently pays 75% of health and dental insurance cost for employee, employee/spouse and/or children and 100% for life, accidental death and dismemberment, short term and long term insurance. She stated that this is something that other cities have taken similar actions on or more severe, like cutting coverage entirely.

Franklin is also asking Council to consider paying five (5) fulltime, non-probationary employees a \$500.00 cash bonus; it would not affect the annual salary. These five are Kelley, Sherear, Fleming, Rogue and Miliore. They have maintained and performed well through the past rough times.

TA Wilbanks said with no pay raises we should not cut bank of hours. If it comes to needing a service level. She said the only one with an accrual bank is Franklin. This is not the time morale wise to do this. We have not given any pay increases. To ask them to pay another 5% for health insurance. We would get feedback from them. Wait to do this until economy gets better. She has one employee on long term care. It has assisted her. To frivolously get rid of this would be bad. This could cause serious circumstances. McKnight said his company also reduced vacation caps and he had been building his up with his upcoming job ending. No one has reached that cap. They get budgeted a certain amount of vacation and sick and keep a separate line for it.

Franklin said that she also proposed encouraging the use of vacation by providing 40 hours of cash payment if 40 hours of vacation time is used by qualifying employee. This would apply to hourly and salary employees.

TA said since 1995 we have to prepare and submit a vacation accrual. Vacation accrual does not have direct affect on budget.

TBRB Member Carl Acquaviva asked about life and health increased by 14%. TA Wilbanks said in August we get the real numbers. The increased numbers reflect the 14% increase. Dezman stated if you wanted to change the percentage employees pay, you need to consider doing a study to show that it would be giving them a decrease in pay. If you have to go to that, study it this year.

Vail asked said the 2300 – the 14% is calculated only on the health. This is for only two employees.

TA said she would add account t numbers to the organizational chart.

514 – Legal – she did not increase this. She left the special magistrate alone and labor. There is the unknown with the lawsuit. McKnight asked if his rate was increased. His rate is 135/hr. She increased his line item by 3000.00. If he goes to court it is at another rate. Labor attorney won't be an issue this year so it has gone down.

515 – Comp Plan

CGA was paid off. We kept money for the comp plan changes.

519 – General Government

Would like to put a proposal out for computer services. It will stipulate working with our current server and network. She stated the level of service has gone down. Vail said we are on maintenance program. TA Wilbanks said they can remotely fix some issues. She referenced some work on the blackberry. File missing from outlook and all the URL are missing. She notified them and 1.5 weeks

later, no response. Their service has not been up to speed. She is hoping to come in with lower number. FD Gets good service.

Property liability and insurance. She foresees this going down. The rest are pretty much status quo. TA would like to add that Clerk's Dept has budgeted for a new computer. It is out of warranty – 3 year warranty and it is on 4th year.

522 – FD

TA version. She did not increase salary for Chief. She added one part-time position. She wants 8-hour coverage on each shift. Now we have a void. She discussed with Chief and Dan. These individuals are not going to work around their other schedules. They will have to work the shift we need coverage on. The first two part-time FF they brought in are thick skinned and did very well. That would give us one per shift. Still rely on volunteers on week-ends and fill in on other times. When you do that you also have to recompute FRS because they are high risk. The physicals line item - she makes appointments, and they cancel. In talking with Acquaviva about giving the form to the volunteer, and then they would have to get it from their own doctor. Then we would only do drug screen. She didn't know about baseline. Wilbanks said she would have to ask Chief or Dan to tell her if that can be done. Check the other volunteer department to see if they do it. That could save 8K.

She did a RFQ for pest control for all buildings last year and got a good price. Does not recommend using volunteer to do pest control. We are better off using the status quo. She is also looking at netDirective here also.

3420 – 800 MHz system, pretty much the same – County give us the amount.

Fire Academies – it is the training he is doing for others for other entities. We have had it for a year and it would be good to true up and would like it before the next workshop. She did not reduce the fuel. We are doing a lot of mutual aid. They are reducing their manpower and relying on us. The quote on the doors would like to finish up. Chair noted that this budget is lower than current budget by 12K and asked how. TA Wilbanks said it is scattered throughout and in operating supplies. No questions.

Fire Dept presentation of their budget by Asst Chief Welton.

With events in May with significant response time on structure fire, he came up with number that could provide round the clock coverage for their considerations. With volunteers sometimes the stars line up. Most of the volunteers are living out of town. 10-15 minutes out. If we had one person he/she could respond. You can't make entry but you can make assessment. He can make the call for mutual aid. Discussed automatic aid for structure fires. According to Fire Chief, the County could not do that. When things line up, help is 10-15 minutes out. McKnight said if only one person shows up and can't go in. If the person is alone at the station, you call for mutual aid for the County or Palm Bay before you respond. An automatic fire alarm goes off and if you can get a set of eyes and ears to make assessments. Make the call before he left the station. Discussed the requirement to have a representative there on scene before calling for mutual aid. If you call for mutual aid and it is a false alarm. He calls just in case. If they get there and don't need it they can cancel. Welton said the bulk of their calls are EMS calls. They are typically serviced by Station 88. Station 88 also covers I-95, so to get to get from station by Harris Corp off of Troutman, to us is about 15 minutes. We have the rescue squad that can go. With one responder coming, he can start CPR by himself and give the assessment and get the help coming. The volunteers are the best in Brevard County. People have to make choices. He is very fortunate. He works for a company that allows him to take off and use vacation. He pays taxes too. The biggest delta is the human resources. The electric bill is excessive. In order to get people on board, he reduced elsewhere. He checked with other fire depts. And there bills are much less. Borton asked if the issue was medical would they go in. Yes, unless there is a domestic violence. The current requirement is 2 plus 4. TA thought it was 2 plus one more. Chief advised that he needed help during the day. That is why she added one - it would give them one paid part time FF for each shift.

TA explained her amounts. Her 57K included those other people. On FICA he did quick math and he did not have percentages. Dezman asked what the policy is when there is a call in Brook Hollow. TA said when she first came here she understood they automatically respond to Brook Hollow. Same if it is an EMS. The rescue comes from Troutman. Borton asked how do we pay for that? That is covered in the 25% of your tax bill you pay the county.

Acquaviva asked Welton how many active loyal volunteers – Welton replied Malabar had 30 to 35. Chair asked since the incident in May, Rivet was going to meet with FD and see what can be done to cover weekend and evenings. Is there a resolution to that problem? Welton said you can't make a volunteer. Does his proposed six paid positions provide coverage? Where does the revenue come from to pay for this? It is an additional 91K. Where would it come from. If that is the type of service then it has to be paid for with a special referendum. We can't raise the taxes enough to cover that. If we doubled the number to 4 could we afford it? Welton said yes if the hours were increased. You have to keep them under 30 hours. You can depend on the volunteers. They all responded to the pagers. Mayor is concerned that they may price themselves out of business. Welton looked at Indialantic in 2003 and when he looked at their budget it was at 400K.

Mayor said just to go with the County fire protection rate is .6187, the cost 134K. If they can't do the job with the volunteers, maybe consider the county. Welton said the unincorporated area of Melb Bch pays about 300 per household. Welton said it is his opinion. It behooves Council to review their options. He is there to provide service. If it is better provided by others then it should go to them.

Mayor said if Malabar Fire Dept dissolves, then the County has no Malabar doing mutual aid. The recent fires show that the county will send out their resources. Malabar is more personable. Chief said ISO rating is based on how you function and how you perform. All was achieved then it will be lost. There is a lot to be lost here. Mayor said at some point, it must look at it financially.

McKnight said compared to ten years ago, we did not offer any kind of training and yet we had volunteers. Welton said now we are first in. We are getting better quality of service from individual but they are better trained. We have lost a lot of volunteers due to drama at night. TA said they want to work with the paid part timers they get the feeling of real fire dept. That may bring in more volunteers. Gets them the association with professional FF. They will take whatever number that Council approves. Mayor said what about 4 paid and the rest in volunteers. TA suggested doing away with pay per call.

Indian River Shores only pays their part-timers per diem and does not pay FRS. McKnight sees two kind of FF. One is part of the community and is there because he wants to be. The other wants to be there to get their certification and move on. They spend lots and lots of money to train and get physicals and then they move on. Welton said they try to screen them out. They have a couple from out of the area. They are top notch. They have given service to town for 2 or 3 years. There are those that come in for the certification. Mayor and McKnight said if you have 35 dedicated members, you would only have to ask them to do 4 hours a month. Borton asked what about the money – how do we get the real cost to training. The FD is bringing in 17K in training revenue and only spending 5K on supplies. Borton questioned that number as how is the actual cost of the wear and tear on equipment calculated and the overhead. Chief Gianantonio said that is factored into the registration fee. We have the supplies and the training budget. She can true up numbers. The contractual is the labor for the instructors. Borton said when they do training they use our equipment. That is wear and tear on the equipment and gas for the vehicle. Vail said when they use the equipment is it covered in the registration.

Dezman asked if analysis had been done on how much time the volunteers stay after they were trained. If you leave before a certain amount of time, then you need to get that money back. Welton said they tried to initiate that and it was not possible then. It is \$1,500.00 worth in training. Stuart

Borton suggested having them pay for it up front and then get reimbursed if they stay for a certain period.

Also document the work ethic. Stuart said let them pay up front and then reimburse it. Welton said in Indialantic, the volunteers have to come in with a physical and a FDLE background check. If a volunteer doesn't want to volunteer they shouldn't be here. Mayor said volunteers should not have to pay for anything. Welton said they pay to be volunteers. They pay for their food and their pants.

Acquaviva said we did talk at a previous meeting about getting the volunteers more involved. Welton has about 9K in line items that aren't operationally necessary and if the Town is legally allowed to do fund raisers, we could trim that amount off the budget and get that from fund raisers.

Chief Joe explained the starting the fire academy to offset the cost of the training of our volunteers. To offset the operational expenses of hose etc. The training for fire hydrants at \$25 a head. Welton is working on the CPR course for residents and will only collect 5 dollars for cost of the card. They are not trying to suck life out of it. If they had a corporation that did fund raising. Chief said maybe Council wants to look at Brevard County.

TA asked about dropping the pay per call and adding a fourth member.

Stuart asked if she was going to get dollars from County. Dezman said better find out if Council has authority to do MSTU without taking to voters. Mayor thought the Council could just vote on it.

524 – BD

BW said Fire Marshal could be cut back – 85 hours seems a lot. He doesn't do residential. Council talked about cutting his hours back – cut 1000.00 or 28 hours.

Also cut out unemployment.

3430 – we added money here to provide for security and to update fees in Building Dept. The fees right now can be manually changed and that is what is happening now. We will have them set so that if a change has to be made, it will have to be made by Franklin. We have been cited up twice by the auditors because the fees set by the Building Official have not been consistent.

McKnight said acct 3400 says IMS monthly service 3400 and acct 3430 says it is for software – is that a duplicate?

Mayor questioned the monthly service charge for software. Acquaviva said it is 57.00 per month and it is necessary. Borton said you have to have support system. Vail said his is \$170 a month for computer service. Mayor said it applies across the entire computer system.

539 – Public Works (PW)

Personnel services show that 25% of Tom's salary in this dept and 75% in Streets and Roads.

Credit of 1616. that is reimbursement for the damage. The accountant put it in and then took it out. She is going to get with him on the reason why he took out the unemployment. Mayor said doesn't he only work with what we give him.

McKnight said under other current charges – 4900 acct. There is a discrepancy between amount on budget page and in the definitions. He wouldn't have questioned it.

541 – New number for life and health is 58599

This is the biggie. 2 quarters of unemployment for Carl.

She explained the ARRA line item

In 6300 she will be bringing a new lease for the Gradall. Fortunately the Rocky Point job got done. We can rent one for 7500 or if we start on October with the payments. We use this for everything. It is used for everything.

Machinery and Equipment – that is a large number because it include two deck heads, and cuts out the need for the hand weed eating. Those are for the slope mower. The mower deck is for the John Deere that is to replace the one that has been rebuilt. It is a flail type. Then we have budgeted for a pick up because the vehicle bought from Starke has been taken out of service as it is not safe. The vehicle we got from FD is one step up from the van we took out of service. The pricing is for a used vehicle.

Mayor said when budget gets up to over ¾ of a million. You have to look at maybe we should contract with someone and only keep one guy. TA gave explanation for Transportation Impact Fee money and the large amount we have budgeted in Account 541. That represents the monies that have been collected on new construction by the county and then transferred to us when we propose new projects. The Local Option Gas Tax is calculated using the Acct 541 figure. There is nothing not needed in the account.

Tom Miliore addressed Council. Stated the Sterling Dump truck and the John Deere tractor are both five years old. The rest of the equipment is much older. It is not worth repairing. The old John Deere tractor is 20 years old. You got your moneys worth. He knows it is a big number but nothing has been purchased for five years. Both of those items will be paid off this year.

572 – Parks

TA will get re-quote on mowing. She learned from Franklin that the vendor bid out the acreage wrong and it is less than they put on first bid.

The sprinklers on the soccer field were hit by lightening. Franklin found the irrigation vendor that installed the system and he has been doing maintenance on system and he will continue to monitor it. The other side of this is the soccer group wanted to do mowing. She is working with the Attorney to do a contract. They can't come up with the proper hold harmless so she does not think they will be able to do it. Bohne doesn't feel secure with having them to do it. They also wanted us to add another field to practice. There has to be drainage. She is not in favor of it. Mr. Yolles will be bringing request to Council.

Franklin explained the FRDAP requirements when a park is developed using grant money. The state must approve the future changes.

Park Board wants to do the rehabbing of Huggins Park will be brought to Council. Rehab for seniors. Then they went to bacchi ball court and shuffle board court. Between that and the surveillance system.

Mayor said about the line item labeled "Contingency". Fund it is not contingency – it is developer's recreational fees. The monies must be spent on park improvements. There should be no money there unless approved by Council. Change the title to Dev Rec Fee. We will re-name. Vail said that this is not to be used for anything for maintenance. It should be used to improve it. He will stay on this. Council is very clear it is for improvements not maintenance. Staff will change that title. And get breakdown.

Dezman stated they asked Council for another field last year and were told no. The people have changed. The answer is still no. When we honored the church for supporting their training side. They may have thought we would support an additional field.

574 – This looks like it has gone up but we have taken from other areas. She increased the Spring Fest because we have expended. We also have Trash Bash pizza and cookies for Tree Lighting. Also have moved Christmas party money here. Vail asked if it was a wash for spring fest. We use flex time. It is a very large good community event. Chair asked if there were any questions.

Mayor comments:

He has every year, this is his 12th year, when staff puts out their budget, and he puts out his own. He got his on Friday. By next week, possibly next Monday he will have his budget ready. His goal is no increase of millage rate and no use of reserved funds. He has a question about page 5, misc revenues.

Get firm number for interest in revenues. On 369.9000, where did we get the 55K? McKnight said for the last three years we had to take from reserves. TA Wilbanks stated it was budgeted last year but not used. The reality is that we may need it. But if expenditures are kept down, we may not need it. The audit showed that we did not have to use it.

TA Wilbanks will get clarification on the 55K in Misc rev.

Chair addressed TBRB and said you lost a couple of members over the course of the meeting. The remaining members can decide when to next meet. You heard what staff presented and Council said. Are they bound by sunshine law? Mayor said yes. They can't talk amongst themselves outside of the meeting. They can talk about the budget to their spouses.

Next workshop is set for August 10. They can meet before it. Steve Rivet never made the meeting. TA Wilbanks said he got stuck at Orlando Airport and then in a traffic issue on Beeline. They discussed starting at the next meeting at 7pm. Consensus to start at 7PM.

D. ADJOURNMENT

There being no further business to discuss, MOTION: Vail / Borton to adjourn this meeting. VOTE: All Ayes. The meeting adjourned at 10:35 PM.

BY: Thomas M. Eschenberg

Mayor Thomas M. Eschenberg, Chair

ATTEST BY:

Debby K. Franklin

Debby Franklin
Town Clerk

08/02/10

Date Approved