

MALABAR TOWN COUNCIL BUDGET WORKSHOP MEETING

August 11, 2009

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 1 Council Member Brian Vail.

B. ROLL CALL:

MAYOR/CHAIR

TOM ESCHENBERG

VICE-CHAIR:

PATRICIA DEZMAN

COUNCIL MEMBERS:

NANCY BORTON

BRIAN VAIL

STEVE RIVET, excused

JEFF MCKNIGHT

TOWN ADMINISTRATOR:

BONILYN WILBANKS-FREE

TOWN CLERK/TREASURER:

DEBBY FRANKLIN

C. WORKSHOP ACTION:

1. Review 2009/2010 Fiscal Year (FY) Proposed Budget

Mayor thanked all Budget Review Board Volunteers. Mayor would like Council to go through budget one time and ask questions to staff and then allow volunteers to ask their questions. So make notes as Council goes through budget. He thought it would allow process to go smoother. Have to get out by 10:30. Mayor then explained that the Budget Review Board will then hold one meeting of their own, and make notes on recommendations; get those notes to BWF so she can formalize them for next budget workshop to be held on August 18, 2009. He stated they may want to sit in on that next budget workshop.

Borton wanted to thank staff for their efforts. Dezman said we should do what we did last year, that it worked well; start with the revenues and then go through expenditures. Dezman wanted to allow audience to ask questions at end of each section.

Town Administrator BWF began with overview of budget statement.

BWF prepared a balanced budget at the request of Mayor. She added the budget memo to provide clarification and benefit of the Budget Review Board. She and Franklin prepared the budget using the direction from Council. Regarding millage for Ad Valorum, she used the roll back rate of 1.7004 as starting point. BWF also allowed each individual Department to propose their own operational expenses. BWF and Franklin started to balance the budget by increasing the Ad Valorum millage until it balanced using the 1.7595 millage for the minimum expenditures shown in budget. BWF explained the revenues estimates were provided by the State. Last year, for the first time, those estimates had to be reduced mid year, requiring the current budget to be amended and reduced.

Under Licenses and Franchises, we are projecting four new projects: MIMA, two storage units' expansions and four single family homes. The BP fees are conservative. BTRs are based on this year's renewals. This was previously called occupational licenses. BWF explained the formula she used is the amount expended through June 30 multiplied by the nine months of completed of the fiscal year (Oct - June) and then divided by 12 months to get an estimate of the monthly cost. This will not work for all items. BTR revenue primarily comes in September. Ad Valorum primarily comes in December. Developer escrow is based on two projects; pre-develop meetings is also based on two projects. BWF asked for questions.

Intergovernmental Revenues -

These are based on State estimates and past receipts. The revenue sharing is based on eight month formula. The State felt it has bottomed out and is going up.

John Seybold, asked the question about the amount. Franklin explained that the State's portion for this item is trued up at the end of their fiscal year in June. We don't typically get that revenue until June and then will get July and August very close together in late August.

Bob Rowan, asked about grant revenue, why was it at zero. BWF explained that we don't budget grant money – the auditors pointed this out. We can budget for our match money. If we are awarded a grant, we would do a budget amendment, increasing the revenue by that amount. Bob Rowan also asked about fines and forfeitures. BWF stated that the Sheriff's Office has completed their audit of citations and there were 700 issued in Malabar but we have not received that money. We only get a very small portion of each citation.

Charges for services:

Fire Inspection fees are what we actually project from our BTRs. For the cell tower behind the fire station we get \$1200.00 per month. If there are additional users on the tower we would get more revenue. We have not pursued that. The Water and Sewer Administration revenue is paid by Utility Department to the General Account.

Special Event revenue was raised by \$1000.00 because we did receive that much more money in past event. The Fire Department has expanded its offerings and is doing training. Based on expected training for next year, we used the figure from the Fire Chief.

John Seybold asked why there was a decline in revenue from previous years in Special Events. Franklin said we got more donations from developers in those earlier years. Vail stated that he has been on the Spring Fest Planning Committee and they had a much larger participation by businesses in earlier years.

Misc Revenue:

interest is down

TIFT (Transportation Impact Fee on new construction) money is restricted to projects that expand capacity on roadways. We pay the County 10-15 percent to administer the program and they get to collect the interest on the money. We would like to use what we have in this program and then get out of the Interlocal with the County.

Donations line item was large last year from the money from Harris Corp for the first payment on the ladder truck for the Fire Department.

Misc general revenue will be broken down in future so that Liens search revenue and Drivers License and background checks for fire fighter volunteers.

BWF stated that we balanced budget this year without taking from reserves. Previous two years show use of unrestricted funds on deposit.

Tim Lynch, went back to Section 36, can he get a copy of Interlocal Agreement with County regarding TIFT fund.

Bob Rowan asked why the TIFT money is so high. We usually budget only the amount that qualifies for a project. The County has placed a moratorium on impact fees for two years. That amount is the balance and we have two excellent projects that could use that money and more.

Stuart Borton, asked about the impact fee process and Franklin gave explanation that impact fees are required for all new construction, residential and commercial. Before a municipality issues a certificate of occupancy (C.O.) we require seeing the paid receipt for impact fees. The moratorium is on the transportation impact fee only. We could do our own collection. Malabar had established

transportation impact fee ordinance in 1980's and then later revoked it and returned the money. If we were to collect our own transportation impact fee again we would have to look at the Florida Statute requirements.

Tim Lynch asked about doing a cost analysis. BWF explained the increasing roadway capacity requirement. This money is not in our bank account.

McKnight made statement about the millage rate and Ad Valorem taxes. We are looking at three increases. The property values are decreasing, the Roll back rate is based on getting the same amount of revenue as the previous year. Home owners under the Save our Homes (SOH) program will actually get an increase of 3% on their property values. The second increase is that the roll back rate actually goes up and then the third is we are proposing an increase on top of that. McKnight wanted to make all aware of that; millage rates are going up.

Mayor asked if anyone had questions on revenues.

Expenditures:

BWF – Stated that the Department of Revenue gives us the Chart of Accounts and the descriptions. She has also included the definition page to help explain the line items.

511 – legislative, adjusted the travel and per diem.

Previously budgeted for all of Council to go to the annual Florida League of Cities (FLC) conference and lately only one representative attends.

She explained the newsletter is based on only three issues like last year.

She explained each Council Member has discretionary money.

She explained the 5400 account. She put in \$1000.00 towards equipment that would provide audio recorded on compact discs (CDs). The BIS vendor provided a presentation last Wednesday and she will bring that to Council soon. BIS will also offer purchase over 60 months. We have not had time to compare rates with our own bank.

John Seybold asked if BIS was budgeted at \$1000.00 per year for annual payments. No it was estimate. BIS wants \$4500.00.

No other questions.

512 – Executive, BWF explained these are her expenses.

On Unemployment Insurance she budgeted for six months more for the administrative assistant that was laid off.

Travel and per diem, covers credentialing. She will need to be going and also level 2 of Code Enf.

She also reduced all mobile phones expenses. We have gotten State rates. Adobe reader won't let you do the fillable forms and that is why she has included money for Adobe Standard.

Bob Rowan, asked about a cost share on health and life. Do employees participate in the expense? Yes, it is done here also. Town pays 75% and employee pays 25%. The FRS is a set rate for fire fighters, special risk, and executive and regular class employees.

No other questions.

513 – Finance and Administration,

She changed the life and health insurance to reflect the reduction. She just got new rates on insurance so each department will have new numbers for that item. She also is asking that the FRS be increased to cover Franklin as executive. She is the financial person.

This department also covers the Deputy Clerk and Accounts Payable and some money for a temporary person when someone is out. The overtime for the Deputy is to cover the monthly Park Board meetings and two meetings of Council when Franklin is at conference.

Auditing and accounting. Both of those are split with the Utility Department. 75% and 25%. The auditor does the annual audit and the accountant does the monthly financials.

Iron Mountain is the company we use to do records storage. Municode does supplement preparation of our Code, travel and per diem covers the credentialing and the specialized training; FGFOA require 8 hours of education. Franklin attends required education hours.

BWF stated in budget memo that we have been able to accomplish much by using volunteers and community service and got a donated binding machine and have done our own meeting packets.

Office supplies cover notebooks and such, even the plastic bags used to put council packages in when we have to deliver in rainy weather. She stated we go into great detail on the expenses. The back-up tapes we do a nightly and a monthly backup.

Book pub memberships cover Franklin and Deputy and sunshine manual to council and boards. No capital improvements on this dept.

Stuart Borton asked about lack of Capital outlay – what if we need new computers. This budget has no fluff. We have nothing. BWF said we used to rotate every three years and update the computers. We are trying to hold the costs down. Stuart Borton thought it was risky. BWF agreed but it is a difficult year.

BWF said at this year's figures it would cost 1140.00 per work station.

Rob Rowan asked about cell phones. We have gotten State rates. Vail said the cell phone bills are pretty cheap. He approves the bills and sees all the bills. BWF said we also have taken back the individual cell phones from the Public Works personnel. They have one main phone and one back up phone and then the Relm radios to contact them.

No other questions.

514 – legal

Based on 135 per hour for appx 240 hours.

Code Enforcement – in case Karl Bohne has to represent the Town in any action.

Gary Sack is Special Magistrate and we have not had to use him.

515 – Comp Plan

CGA agreed to do payments for 3 years. This is the last payment. 5K is for other items that may come up as we adopt ordinances per our report. There is also some money budgeted for Keith Mills to do local reviews.

Pat Reilly, asked if the money does come from Building Permit fees. Franklin explained that we may need him to provide input on other items. We do include his costs also when he does a review for a permit. We also collect a pre-application fee to cover his cost to review a proposed project. The Site plan application also has a fee to cover his review for site plans.

Bud Ryan, asked why his was reduced. Franklin said that we haven't had much going on that wasn't involved with the Comp Plan changes. Keith Mills was at two recent meetings to offer insight to P&Z on why certain depths are used on land use designations.

519 – General Government

Engineering would be needed for both the Marie Street roadway and also the trail.

Pest control is an annual payment.

Internet is 86/month. And web hosting.

We pay a monthly software fee for Business Tax Receipts (BTRs), previously occupational licenses and Citizens Services.

Cleaning is one time a week.

Eagle Corp people have to have phoned to go out.

General postage, is covered under this dept.

Property Liability is with Florida League of Cities (FLC) and they expect the rate to go down this year.

500.00 is paid to FD for Christmas party for children.

4910 covers Eagle Corp expenses; car repairs, supplies.

Contingency, is the difference between revenues and expenses.

Pat Reilly, pg 18, rentals and leases, what does that cover –copier, water cooler and postage machine.

Stuart Borton asked about 4600 – reduce the amount in the definitions to 6500 to match front page.

Vail asked about account 3450 security alarm, we should bring it back. His opinion. Shop around and get it back. Cheap piece of mind. Mayor stated we had more false alarms. Dezman said revisit it next year. Find out how much it would cost and also cover smoke alarm. Give notice of vandalism and break-ins and theft.

Mayor asked for everyone to make comments on the security system and have for next meeting.

Tim Lynch, said that repairs and main description dollars don't match budget page. It was corrected earlier, should be \$6,500.00.

John Seybold, asked about prepaying for pest control if they go under. The total is only about 500. Ok not substantial.

522 – FD

Dezman asked for a break at 9PM Mayor said for 10 minutes only. Back to order at 9:08PM

Bob Rowan, asked about life and health in FD. BWF said we added Fire Chief for short term, long term, life and dental so we could maintain our minimum of 10 persons covered. We would have lost the discount since we laid off the 2 employees.

3420 – 800 MHz system, Assistant Fire Chief Dan Welton will get accurate number to BWF. We used same number as last year.

BWF explained if we supply historical date for 3 years, and there was money there we must show it, even if we don't budget money in that item this year.

3480 –the Fire Chief Joe Gianantonio will verify that number.

The propane has gone away but we have to keep it because there was money there.

The additional insurance for the FF. That is the premium.

The repairs and maintenance was broken down to show better accounting,

5200 – will be broken out to show the fuel. So we will add a 5210.

5400 – various org for their credentialing

Capital outlay – garage door replacements – we are doing them over several years. It is 2000 per door.

The others are the principal and interest on the vehicles.

McKnight made correction to 522.5210, the boots desc on 2nd line, two x 275 is 550.

Dan Welton also said under contractual services, 2nd line, take that out.

Stuart Borton, 3100, physicals, why the huge increase over 06/07. BWF said we never did the complete physicals to establish the base line for their lung capacity. We are required to do it. After the May fires, this became very clear. You have to have a base line. Dan Welton explained this will continue, every so many years a fire fighter must be rechecked.

Stuart Borton asked why we had it budgeted and not spent. BWF explained that the Fire Department would provide a list of who is to be tested and in what order. Sharon would set the appointments and in some cases they didn't show up for appointment. BWF said we could not get the cooperation from the volunteers.

Stuart Borton asked if we have looked at testing everyone at once. Dan Welton said yes, it would cost 30K. BWF said she did a quote and this is the best price for us. The requirement is we set an appointment time and not as a walk in. Under OSHA, they are also doing the drug testing. We haven't done it properly in the past.

Tim Lynch asked if that we need to look at that for liability.

Mayor said we will have to do 30 this year. Group is deviating from budget.

Dan Welton said all volunteers that are structural FF are ok. As new people come in, we are working on a process. Vail said the turn over of volunteers is high. The budget is for half of the staff, if they loose that many people.

John Seybold, asked about the difference between netDirective and internet. NetDirective does the IT stuff, virus protection and email hosting. The internet is Brighthouse bill.

John Seybold asked for copies of the lease agreements showing the payout on the vehicles. Perhaps we could get better rates now.

David Sowards, 5200 – operating expenses, why is the cost expended to date so low.
No other questions.

BWF explained they kept the Building Official at 15 hours per week. Moved permitting Clerk up to Assistant and will keep the position of permitting clerk open for now – may have to look at later if things pick up. The OT covers the bi-monthly P&Z meetings and the Board of Adjustment mtgs. Travel and per – conference the Building Official must attend for credentialing. Bldg Dept has to pay for itself but not make a profit, which is why the utilities are shown. Other expenses may cover the signs we post. 5400 – Books, publications & memberships also covers code enforcement. She would like to send Denine to Level 1 Code Enforcement training.

Bob Rowan asked if the insurance only covers Administrative Assistant to the Building Official. Yes. No other questions.

539 – Public Works (PW)

PW is also split with streets and roads. If we are audited we could provide evidence to satisfy the Local Option Gas Tax revenue.

Travel & per diem. We are getting all PW certified in this area – some are free some cost.

4900 – dumpster fee and landfill

Fuel for public works area only. What it pertains to – not streets and roads.

5400 – books

Tim Lynch asked about 2200 – FRS wasn't broken up for Carl – the payroll company was not charging – it has been corrected.

Bob Rowan asked why no OT for this. The overtime is carried and used under 541. There is typically no overtime in the parks.

541 – New number for life and health is 58599

On page 39, the dump truck will be paid off in August so BWF will reduce the principal and interest by that amount and send the correct numbers to all. Franklin said it was only a \$4.00 difference in the interest.

The phones and street lights, and estimated fuel charge for same, was simply an estimate.

PW yard, we need to clean it out quarterly for \$300.00 and then FD will do the burn of the debris.

We did not put anything in for paving and capping. We are maintaining for one more year. Then get back on track.

4610 – put in 10K in line item we have also spent 18K.

Jackie Colon, regarding 3400 – contractual services. Is this still needed. Would this help? BWF said if we had the spraying done it would help staff so much. We are getting prices. If we added it, we would have to cut somewhere else.

Bob Rowan – how does that fit with the environmentally concerns. They are licensed and credentials through St. Johns, and they will check on the complaints.

We are actually having one of our staff certified to do spraying in our parks.

Bob Rowan asked about the grader – it is always at the shop. Vail explained the Plexiglas had to be upgraded and the mowers are also being upgraded. BWF said things have been sitting around because it was broken. We have also begun a regular maintenance schedule.

Vail does work safely and inexpensively. We monitor by requiring written estimates.

Repair on traffic light and the FEC railroad we have no control over that.

Under 4900 – physicals and drug screening for CDL lic holders.

Bud Ryan, is there anything leased or rented – no. Before we could rent a roller from another agency, BWF is getting prices on a referberator and also getting a price on the contracting out the road maintenance. Roads are done once a quarter. If it is just maintenance they go back at no cost. She will bring this to Council. Bud said if the roller is used then there is less or no washboard. Even if we contracted the maintenance, we would still need millings. Bud said any change would be an improvement.

572 – Parks

Cleaning is correct.

Port-a-let may go down. Quote is open until Friday.

No increase in mowing and they do the tru-green on our soccer field. Did get a quote on mowing the disc park. It takes a lot for staff to mow it. She will bring it to Council.

4600 – went up significantly – the definition. Shows that we now include the water charge

What did we purchase in 06/07 in 4900. Dezman said we have regrouped it because we are now using correct chart of accounts.

In the infrastructure area – She was asked to include the fencing cost. She put in 3K for cost share to do fence. The screening is estimated for 5K. The bike rack is not a capital expense by itself.

Jackie Colon – clarified that these funds can only be used for recreation related items.

Bob Rowan – referenced the Disc Golf Park, are most of the users outsiders and yet we are mowing. BWF said it is a very well used park.

We are currently getting prices for the apron at this park.

574 – this is the expenditures that show the revenue. This is the only Malabar sponsored event. We had done a fall event but cancelled it last year. There is a tree lighting event, but less than 100 come to that. The Spring Fest is the big event. We get a lot of good community participation in this. McKnight said if it break even we should do both. The overtime was the reason we cut the fall fest. Cindi acts are the coordinator and it takes a lot of her time.
No other questions.

Dezman said kudos to staff on the budget.

Mayor said he has a budget item to share.

Line item is 349.7000, is listed as 31,900 and should be 41,900; it is an excel formula error. Mayor wants all to think about this \$10,000.00. Do you want to cut taxes, spend it on something else or save it.

Excel formula error. Mayor wanted everyone to make recommendations. Jackie Colon asked why the Mayor waited to the end to bring this up. It is his style.

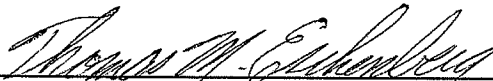
The Budget Review Board will meet on Monday at 7:30 in conference room.

Dezman said they are bound by sunshine law. McKnight said they are free to contact any council person and the staff.

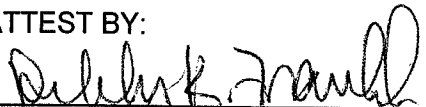
D. ADJOURNMENT

There being no further business to discuss, **MOTION:** Dezman / Borton to adjourn this meeting. **VOTE:** All Ayes. The meeting adjourned at 10:30 PM.

BY:


Mayor Thomas M. Eschenberg, Chair

ATTEST BY:


Debby Franklin, Town Clerk

8/17/09
Date Approved