

## **TOWN COUNCIL WORKSHOP MINUTES AUGUST 13, 2002**

This meeting of the Malabar Town Council was held at the Town Hall at 2725 Malabar Road. The meeting was called to order at 7:30pm by the Mayor. The prayer and pledge were led by Mr. Rivet.

### **ROLL CALL:**

MAYOR/CHAIR:	PHILLIP CREWS
COUNCIL MEMBERS:	STEVE RIVET
	BOB ROSSMAN
	NANCY TINIO-BORTON
	BOBBI MOCCIA
CLERK:	SUSAN KABANA

Also present were: Chuck McClelland, Fire Chief and Jim Phelps, Building Official.

### **DISCUSSION OF CURRENT YEAR BUDGET ADJUSTMENT**

Kabana – there is a situation Council needs to be aware of concerning the utility fund. When Kabana was on medical leave the former Administrator began work on the water line on Malabar Road at the Berri Patch. While on medical leave Kabana kept a larger than normal amount in the checking account to cover the cost for Camelot Ditch since there were very large bills to be paid.

Unbeknownst to the Clerk the Administrator was asking Franklin, “How much is in the checking account?” and she would innocently tell him. Upon returning to work on April 1<sup>st</sup> Kabana realized there was \$113,000 used from the General Fund to cover the water line. When Kabana asked the Administrator how he planned to pay this back he said he would get the money when all the people along the water line hooked up to it. Hall said, “Not to worry, not to worry” at which time the Clerk did worry and called the auditors because she felt Hall needed to get a low interest loan for the utility fund to cover this cost.

It’s not unheard of to use General Fund money from one fund to cover money from the other fund. The auditor said that Hall needed to come before Council and discuss a funding source for these funds. Did Council want a low interest loan or let the utility fund pay interest on the money to the General Fund?

When Kabana approached Hall about this he answered that he went to Council and had approval for the construction of the water line. He insisted that the money would be back in the general fund account by September and not to worry about it.

Moccia – was the water line approved? Kabana – the construction was approved in April but at that time there was no mention of funding it from the general fund.

Kabana – during the next few months Kabana asked Hall if he was prepared to talk about the money. Each time Hall said, “I have it under control, don’t you worry about that, it’s none of your concern, I’ve got it, don’t worry about it.”

Moccia – who signed the check? Kabana – it was approved by Hall and signed by the Mayor and Charlene Horton who were not aware that the funding source would be the general fund.

Crews – Hall was expecting Enchanted Lakes to connect, which will bring in more money. Feels that they are going to be forced to connect at some point. Kabana

– if/when Enchanted Lakes connects the Town will only get \$20K or \$30K. Hall's calculations for Enchanted Lakes were based on us collecting their entire hook-up fee but Hall was off by \$50K. The problem is that a large portion of the hook-up fee goes to Palm Bay for impact fees. Of the entire \$87,000 hook-up fee for Enchanted Lakes about \$50,000 is impact fees (\$750/unit for 65 units).

Crews – so none of the \$159,000 was impact fees? That was strictly for the water line? Kabana – \$159,000 was the cost of the water line. Construction was \$145,000 and \$13,000 was engineering. Crews – is not sure what Council could have done. Kabana – one choice would have been to make Hall get a low-interest loan, keeping the debt in the utility fund, another choice would be to do exactly what has happened and use general fund money and pay it back with interest. We'll use the same interest rate as the pooled funds which is where that money would be right now if we had it.

Crews – it's a continuing problem with the water department, it's barely breaking even. It should be generating a little bit of extra money to cover continuing costs. Kabana – the general fund was in very good standing with a fund balance over \$380,000. Meaning we had enough money in the bank to survive and for 3 months if some kind of disaster happened, which the Auditor-General recommends.

Rivet – asks Clerk if it looks like it's going to come out about even? Kabana - It's really hard to tell because the Fire Department starts spending their money, like their recent purchase of a defibrillator.

Kabana – on Monday night there is going to be a resolution to adjust the budget to allow for this huge expense in the water fund and it will state the funding source which right now is the general fund.

Rivet – restates the two options: either use the money in the general fund and have the water department pay it back with interest or get a low interest loan. Kabana - when you do a project like this you invest a lot and it takes awhile to get your money out of it. Crews – his concern now, at this point, is how the water utility can pay back a loan when they can barely keep their head above water. Kabana – agrees.

Crews – thinks the long-term solution is to do something about the water rates. Rivet – doesn't like to raise taxes, but agrees there should be excess from revenues to pay for unforeseen maintenance. It is not unfair to the people hooked up to the water system.

Crews – did we expense this in the General Fund? Kabana – no, it actually gets expensed out of Utility Fund and it is a receivable to the general fund. This will all show up in the financial papers.

### **DISCUSSION OF PROPOSED BUDGET FOR 02/03**

Council wants to budget for the FEMA grant for the Fire Tanker for \$217,770.

Kabana - briefly explains the revenues. They are based on estimates from the State of Florida and on past trends, some on common sense.

Kabana – next is the Administrator's line items. Comp Pay is his overtime. The sick bonus everyone gets. Retirement is based on 3% of the salary.

Travel and Training – Moccia – isn't there \$200 a month for his car? Crews – this is the time to put that in the budget and anything else you want to do.

Kabana - regarding the Dodge Intrepid: the car is parked out back. Council needs to decide what to do with the car. Crews – what are the payments? Kabana –

\$334 a month, \$4900 a year. Rossman – asked about equity in the car. Kabana - we're going to get rid of it, we will lose money. Rossman – along with payments you'd have insurance and gas, etc. He suggests giving administrator \$200 per month for his car-mileage and everything else. Crews – are we using mileage or flat payment-car allowance? Rivet – thinks a car allowance is easier, no worries about record-keeping. Kabana - \$2,400 will go to car allowance administrator. Council – agrees.

Comp Pay-Clerk – Kabana's overtime so far this year is zero. Last year, it was \$438, before that \$133. The normal budget is \$1,000. Moccia - we're removing comp pay for the Administrator and keeping it on for the Clerk? Crews – she's exempt. Kabana - states she's not exempt, she's hourly. Crews – then we have no choice, we have to pay her. She can't work overtime, if she wanted to, without being paid. Moccia – isn't the Clerk salaried? Kabana – is hourly, not salary, if she is not here she does not get paid. The employee handbook says anything over 80 hours of comp is paid out. Discussion of clerk comp pay.

Crews – we could adjust her salary but if we pay one exempt employee overtime then pay the other.

Discussion of time clocks, overtime/comp time, signing paychecks, timesheets. Kabana – suggests moving ahead for now and revisiting this issue later, all agreed.

Discussion of the remainder of the budget ensued.

#### **ADJOURNMENT**

Meeting adjourned.

BY:

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Mayor Phil Crews, Chair (on 8/13/02)

ATTEST:

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Chairwoman Bobbi Moccia (on 6/16/03)

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Susan Kabana, CMC  
Town Clerk/Treasurer

DATE:

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