

**MALABAR TOWN COUNCIL  
TOWN COUNCIL WORKSHOP MINUTES  
July 24<sup>th</sup>, 2023, 7:00 PM**

This meeting of the Malabar Town Council was held at Town Hall at 2725 Malabar Road.

**1. CALL TO ORDER:**

Council Chair Mayor Patrick T. Reilly called meeting to order at 7:00 pm. Mayor Reilly led P&P.

**2. ROLL CALL:**

CHAIR:

MAYOR PATRICK T. REILLY

VICE CHAIR:

DAVID SCARDINO

COUNCIL MEMBERS:

MARISA ACQUAVIVA

BRIAN VAIL - EXCUSED

JIM CLEVENGER

MARY HOFMEISTER

TOWN MANAGER:

MATT STINNETT

TOWN TREASURER:

LISA MORRELL

TOWN CLERK:

RICHARD KOHLER

INTERIM FIRE CHIEF:

ANTHONY GIANTONIO

**3. WORKSHOP ACTION:**

**a. Draft Budget Presentation**

TM Stinnett began by stating he built the budget based on a 4.5 millage rate. Funding has been provided for continuation of ongoing projects, 5% raises to staff, road repaving, lane paving (funded partially by TIFT), emergency repairs of Rocky Point Road, savings for a FD Tender (FY 25 Purchase), and the additional positions discussed at the last Council Meeting. He then directs the discussion to the Capital Improvement Plan. Mayor Reilly asks if the Town will meet the \$15 per hour mandate? TM Stinnett states yes, we are on track to.

TM Stinnett stated there are no major changes to the revenues for next year. Treasurer Morrell states there are 2 revenues that have not been finalized but has provided estimates and is tracking it daily. She also states that revenues are trending in a positive direction, however it is a variable. CM Scardino asks if any surplus property has been included? Treasurer states that yes, in line item 365.5000, there is \$19k. TM Stinnett stated the Fire Department has a few items they are looking to surplus. Mayor Reilly noted that overall, income is down. Treasurer Morrell states that is because the debt line item was not used this year.

TM Stinnett states that there has been some lateral movement of items in the budget. Mayor Reilly asks where the expenses for changing the Land Development Code are expressed? Treasurer Morrell states in 511.4700. TM Stinnett states that the Town Clerk salary has been moved from 513 to 511.

He then provides an overview of departments 512, 513, and 514. CM Scardino asks if we are expecting some returns on the legal fees? Treasurer Morrell states that is in process, and will be included when it is provided. Mayor Reilly states he believes this budget should be higher due to ongoing litigation. CM Scardino asks if the litigation is taking place with the external legal counsel? Mayor Reilly states yes, it is, and he expects the process to be drawn out. CM Acquaviva states she feels we have greatly increased the salaries of Town Hall Staff. Treasurer Morrell explains that the numbers include new personal, and the old year numbers are skewed by position transfers. She also explained that the Town Attorney has completed the EELs dispute, and the External Counsel is closing their case. Mayor Reilly reiterates that he would like to see additional funds in this department. He suggests 514.3100 be 60k, and 514.3120 be greatly increased. Treasurer Morrell explains that the trails for both issues have ended. The remaining court cases will likely be drawing down. She reminds Council that the budget is a plan, not a checkbook. CM Scardino suggests that some of these costs will be included in this Fiscal Year. Mayor Reilly states he would

accept leaving it as is. General agreement. Mayor Reilly states he plans to take the Certified Municipal Planner exam in the winter.

TM Stinnett then began discussing 519, general government. He states Health Care costs are rising 9%. Treasurer Morrell states that these numbers were created by assuming 17 FTEs. CM Scardino asks how expensive the Workers Compensation is? CM Acquaviva asks if we shop these services or just use the League of Cities? Treasurer Morrell states we have a good deal with the League, and an RFP could take up to 2 years. CM Acquaviva states it may be prudent to explore other options in the future. Treasurer Morrell states the numbers reflected in the agenda show a 10% increase, and it was confirmed at 9%. The difference will be sent to 514. CM Scardino asks about property insurance? TM Stinnett states it went up about 40%. CM Scardino asks if there is any way to mitigate the price? TM Stinnett states he made some changes to the insured items and has done his best to trim the costs. Mayor Reilly asks if we have provided an increase to the cleaning service? Treasurer states the contractor has not requested an increase, but the Town provides her supplies.

Mayor Reilly suggests moving to the Fire Department. Interim Chief Giantonio states he approves of the budget as presented. TM Stinnett states he has reviewed it and approves. Treasurer Morrell explains some of the lateral movements made in the department. Mayor Reilly asks about the 150k item. TM Stinnett states those are funds for the tender. We saved money in last year's budget, and we will bring the purchase forward shortly. Mayor Reilly asks who at the FD works on grants? Interim Chief states himself and Lt. Hooker.

TM Stinnett then begins to discuss the Building Department. A new employee, as well as regular expenses are included. Other purchases may include a new computer for the employee, and a large scanner. Treasurer Morrell reminds Council that the Building Department is an enterprise fund and must sustain itself. The 322.1000-line item is tied directly to the 524 expenditures. Mayor Reilly asks where the funds would come from for a fire inspection? Treasurer Morrell states 524.3103.

TM Stinnett states 525 has funds for the Rocky Point Road repair. CM Scardino asks if it would be smart to get a loan to cover the expenses? TM Stinnett states it would take considerable time and have interest costs. Mayor Reilly asks what the interest rates could be? TM Stinnett states in the 7-8% range. TM Stinnett states that the 525.3010 is a combination of amounts saved this year. CM Scardino asks if there is a contingency account for a hurricane? What if a hurricane comes during the shoreline repair?

TM Stinnett then explains account 538 is tied to the stormwater revenues. He provides a brief explanation of the expenses in this account, included a project at the corner of Rivet Lane and Hall Road.

TM Stinnett then explain the 541 Streets and Roads changes, included some equipment replacement. CM Acquaviva asks about the wages in this department. TM Stinnett explain that the wages for the employees are in 541.1200, and the Department Head is in 541.1100. Treasurer Morrell explains that the variance between this year's expended funds and the proposed funds is due to positions being vacant.

TM Stinnett provides a brief explanation of Parks and Recreation, Department 572. Mayor Reilly asks if the T&GC item has changed? TM Stinnett states the number is 10k. Mayor Reilly asks where the signs Council voted for will be spent from. TM Stinnett states they will be included.

Mayor Reilly suggests moving on to the Capital Improvement Plan. CM Clevenger notes there are no lane paving slated for the upcoming Fiscal Year. TM Stinnett states he would have to pull funding from a separate project. CM Scardino asks if we have the funds for engineering? TM Stinnett states yes, we do. Mayor Reilly states 541.5300, road materials, only has 20k. Would there need to be more funds there to pave lanes? Treasurer Morrell states that account is specific for maintaining existing roads, not making capital improvements. CM Scardino suggests we should either borrow funds or get a loan. CM Hofmeister suggests we get the engineering started. CM Clevenger suggests we can get plans ready for when the funds have been raised. TM Stinnett states he has been working

with the engineer to get plans developed, and we have TIFT funds to expend. Treasurer Morrell reiterates TM Stinnett's plan to take one issue at a time, and that TIFT Funds can only be used to increase accessibility. Mayor Reilly then noted that Weber and Briar Creek are slated to be resurfaced in the next year. CM Clevenger suggests doing Weber and Corey. TM Stinnett states that the funding is not there to do both of those roads in the same fiscal year. CM Hofmeister asks if Weber was recently done? Mayor Reilly suggests doing Corey Road first, and Weber and Briar Creek the following year. CM Clevenger asks about the applicability to get a loan for doing all the roads? CM Scardino suggests using the funds from the increased taxes to pay for the loan. Mayor Reilly states the estimates for the agenda are about 3.5 million. Treasurer Morrell reminds Council that the tax increase must also provide for basic maintenance. CM Scardino suggests getting a loan because the costs are going to be more expensive as time goes on. TM Stinnett states we could possibly also lump projects into the loan such as Town Hall, FD Driveway or equipment. CM Scardino suggests the most important thing to do is fix roads. CM Acquaviva states her agreement. CM Scardino suggests we also include funding for lane paving. CM Clevenger states it could give residents assurances that their money is being used on the roads. Mayor Reilly states he believes the Town has greatly improved the Stormwater of the Town, now its time to work on the roads. TM Stinnett explains that the stormwater portion of the CIP includes estimates for specific projects. He feels these estimates are possibly flexible but feels these are low priority currently. CM Scardino suggests using the most funds possible to pave and repave roads. TM Stinnett states he hopes to accomplish these projects in the future, but roads have become the priority of the Town. CM Acquaviva states the increased maintenance of the ditches have helped immensely. Mayor Reilly gave a brief history of the Stormwater Master Plan. He then reminded Council of the Pavilion approved for Eschenburg Park.

Mayor Reilly asks if Council wishes to provide any funding for a new Town Hall. CM Scardino suggests we fund a study into the expenses of a new Town Hall. CM Hofmeister states she believes a new Town Hall would look great the Malabar Community Park. Treasurer Morrell asks if Council would be interested in putting this expense into debt services, and or reallocating ARPA funds. She explains that there are some of the ARPA funds that can be allocated, and the funds must be spent by 2026 anyway. CM Scardino explains that he has changed his mind and will support the building of a new Town Hall due to the train issue, as well as the septic updates required. Treasurer Morrell notes that Council's priority for the coming year is roads. CM Clevenger states his belief that the Fire Department driveway be included in the road repair fund. TM Stinnett states the contractors have suggested the whole driveway be concrete.

TM Stinnett thanks Council for their direction on the CIP and budget.

Mayor Reilly thanked Staff for their work on the budget. CM Hofmeister and Acquaviva state they agree.

TM Stinnett asks if Council wishes to have an additional workshop? He suggests canceling the workshop of 8/7 but keep the RTCM of that night. It would still allow for a second meeting on 8/21 before the second RTCM. Consensus is reached to cancel the 8/7/23 workshop.

4. **ADJOURNMENT:** There being no further business to discuss and without objection, the meeting was adjourned at 8:34 P.M.

BY: Patrick T. Reilly  
Mayor Patrick T. Reilly, Council Chair

ATTEST:

Richard W. Kohler  
Richard Kohler, Town Clerk

Date Approved: 08/07/2023.