

MINUTES
THE TOWN OF INDIAN RIVER SHORES
6001 North Highway A1A, Indian River Shores, FL 32963

BUDGET WORKSHOP MEETING
Thursday, July 22, 2010
2:30 p.m.

PRESENT: **E. William Kenyon, Mayor**
 Frances F. Atchison, Councilmember
 Michael B. Ochsner, Councilman
 Gerard A. Weick, Councilman

STAFF PRESENT: **Richard Jefferson, Town Manager**
 Laura Aldrich, Town Clerk
 Chester Clem, Town Attorney
 Judith Lewis, Town Treasurer
 Bill Schauman, Director, Public Safety
 Rob Stabe, Captain, Public Safety

OTHERS PRESENT: **Residents Joe Dorsky, John Godfrey**

ABSENT: **William H. Ahrens, Vice Mayor (Excused)**

1. Call to Order

- a. Pledge of Allegiance
- b. Invocation – Councilman Ochsner
- c. Roll Call

Mayor Kenyon called the meeting to order at 2:30, and these items were performed with the Roll Call as reflected above.

2. Finance Committee Report

Mayor Kenyon said that the Town budget is a compilation of the desired goals and objectives of the Town Manager, which is submitted to the Finance Committee for feasibility, and the Town Treasurer is tasked with keeping it all straight. A request from Public Safety Department for additional vehicles does not come out of the ad valorem funds; they are funded differently and will be discussed separately at another meeting. The Mayor added that one gubernatorial candidate has stated that if elected, he will freeze the ad valorem rates, and encouraged everyone not to be too concerned about this.

Councilman Ochsner, who is also the Finance Chairman, spoke to the Council regarding the tentative budget. The proposed budget is about \$300,000 less than the projected final 09/10 budget. The Town realized savings in the combined positions of the Building Official and Town Manager, and has increased drawing on the Reserves. One idea he had to clean the beaches was quoted and inserted in the budget with the Council's approval, and then promptly removed by the Finance Committee. Councilman Weick asked about having the person on call if there were a specific need to clean the beach, and Councilman Ochsner agreed that it would be more appropriate than weekly cleaning.

Other sources of revenue were also discussed by the Committee, the Chairman continued, adding that he is loath to raise taxes on anything. Drawing on the reserves, which are sitting healthy with \$2.3 million in the Emergency Funds and \$486,000 in the General Funds at the completion of this Fiscal Year, should not continue.

Please Note: The Town of Indian River Shores does not routinely keep verbatim minutes. Any party interested in such an appeal relating to any decision made by the council with respect to any matter considered at this meeting is responsible to record the meeting and include the testimony and evidence upon which the appeal is to be based.

In prior years, Chairman Ochsner continued, collecting a transport fee for ambulance service has been discussed. We are the only ambulance service provider in the county and maybe in the state that does not charge a transport fee to the hospital. Captain Stabe did some research on this, and found that conservatively we could raise an extra \$100,000 a year by charging for patient transport. Most would be paid for by Medicare. Mayor Kenyon discussed a possible billing issue when this subject was brought up several years ago. The residents should not be forced to pay, he added, and thought this is why it was voted down. Councilmember Atchison said that she had brought this up back then, and we would never expect to bill the person for the portion that was not paid for by the insurance company. Capt. Stabe clarified that we would be required by Medicaid to make two attempts to collect anything not covered by insurance. The billing company handles this, then writes off amounts uncollected. **A motion that the Town will bill for ambulance service provided** was made by Councilman Weick, seconded by Councilmember Atchison. It **passed 4-0**.

Another potential revenue source is to increase the Communications Service Tax, which is collected by the provider of cell phones, land phones and internet. Chairman Ochsner said it is currently 2.8%, and we are allowed to go to 5.2 %. Chairman Ochsner said this is another option that is a pass-through tax. Mayor Kenyon said that we should collect what the market will bear. It is a small addition to the phone bill. Councilmember Atchison made a **motion to collect the maximum tax as allowed for Communication Services**, which was seconded by Councilman Weick. Mr. Clem said he understands that Fellsmere is 5.2%, Sebastian is 5.2%, and the City is 5.2%. **The motion passed 3-1**, with Councilman Ochsner dissenting. Mr. Clem said that this can only be effective at the first of the year, and by reading the Statute, the Town has to adopt the increased rates by September 1, and then it would be effective the following January.

A third option for additional revenue is to increase the impact fees on which we have not collected our portion per house allowable for existing fire and police protection. Chairman Ochsner said the Committee suggested that we should collect our portion. **A motion to collect the Town's portion of the impact fee** was made by Councilman Weick and seconded by Councilman Ochsner, which **passed 4-0**. This is not factored into this budget.

3. Council Discussion

Councilman Weick asked about the Planning, Zoning and Variance Board's increase of 71% on page 5, which was explained as the result of the state-mandated Comprehensive Plan Revision being handled by Les Solin, our Town Planner. Councilmember Atchison asked if we were not looking for someone local, which would save on charges for driving time. Councilman Weick said that Mr. Solin is most familiar with our Comp Plan, as he wrote it and will not take as much time. A new planner would have to familiar themselves on our plan. Councilmember Atchison asked the Town Manager for a quote for future planning purposes, but not to interrupt this submittal. Continuing, on page 6, Miscellaneous Revenues, 366-900 has \$850, which is not enough for sale of the four PSD vehicles. Mrs. Lewis said 364-410, Sale of Surplus Equipment of \$12,000, reflects the used vehicle sales. Councilman Weick apologized and thanked her for the clarification. He had a quickly answered question on the traffic light maintenance on page 32. Councilman Weick concluded that that he is in favor of going to the rolled-back tax rate of 1.5189 mils and only taking \$57,000 out of the Reserve. He felt that too much was taken from the Reserves last year, and the budget amendment for the current FY that is on the Town Council agenda is for another \$184,000 from the Reserves. There is a 50/50 shot that the future taxes will be frozen, and believes it would be more prudent to gradually raise the millage rate now than a larger amount later. Councilman Ochsner discussed the rollback rate, which Councilmember Atchison said was 1.473 before the forced cut-back three years ago. Councilman Weick said that whatever the rolled-back rate is, that is his preference.

Mayor Kenyon compared the Town's fiscal position to other government entities in the County, who are cutting their staff in order to make ends meet. We should be using the funds we have, and is adamantly against going to a higher millage rate than last year.

Councilmember Atchison said that the State forced us to drop back from 1.473 to 1.3923 in 07/08, and if they were to impose such a drop again from this level and then freeze it, we will be in real trouble. The Mayor remained skeptical.

Councilman Weick said that the County has more room to cut positions, and we have no room for any of that. Also FEMA is in deep trouble and we may not be wise to count on them picking up the tab for hurricane debris removal assistance. Councilman Ochsner and Councilman Weick discussed this further, which if we went to the rollback rate, would be about \$60 on a \$500,000 home.

Councilmember Atchison commented that certain areas in the budget could be cut if it was needed, asking about overtime in Public Safety on page 18. Chief Bill Schauman said that this year there were several major incidents driving this, and the Department tries to use Per Diem staff to keep the costs down. We guarantee a two-medical minimum on shift, as well as two officers on the road most of the day. Councilman Weick noted that the overtime was the same as 2007, and that he has done a great job in keeping this down. This is why we have Reserves, because of the unknown, the Councilman added. Chief Schauman mentioned that in better, more predictable years, a surplus has been turned in to the Reserves at the end of the fiscal year. Councilmember Atchison also noted the cleaning of the uniforms, which was stated to be a contractual matter, and college reimbursement was briefly mentioned. Maintenance on the building was clarified as the back roof that was not replaced during the renovation. Councilmember Atchison concluded that she supported keeping the Postal Center, as we don't offer too many services. Councilman Weick concurred.

Councilman Ochsner commented that the biggest challenge he perceives is the rising cost of the Defined Benefit Plan, which is a challenge to most municipalities in the nation. Mayor Kenyon added that for the first time he has noticed that various police departments around the country are opening this up for negotiation, and renegotiating the pensions down. Councilman Weick added that health benefits are also a concern.

4. **Audience Discussion**

Joe Dorsky, 230 Peppertree Drive, said that he is responsible for Indian River Shores having a Public Safety Department. When he was hired as the first Town Manager, there was a separate police and separate fire department, so he has a lot of interest in the Public Safety Department. The reason he came today was prompted by an incident last December when he had a heart problem about 4 a.m. Nine-one-one was dialed and an officer came in the house within a minute or two. When told that there was a heart problem, the officer said he could not help as he was only a policeman. This upset Mr. Dorsky, who said that the Department was designed so that any officer who answered the call would be a qualified Public Safety Officer (triple certified fire, police and EMT). He spoke with Chief Schauman at the time, who was surprised that it had happened. Mr. Dorsky said that he just wants to make sure that there are qualified officers to respond, suggesting that the \$175,000 budgeted for per diem officers go instead towards the full-time officers. Having just one police person on the road should be fine. Mayor Kenyon apologized personally and on behalf of the Town for that kind of service, as it is their understanding that a paramedic goes on the call. Mr. Dorsky said that the EMT did come within a few minutes, which is okay. During the 13 years he was manager, all of the PSD officers were triple qualified. Mayor Kenyon surmised that Mr. Dorsky had the rapid response by the closest officer, who happened to be a policeman, and then the EMT was called. Mr. Dorsky said that they did a great job.

Chief Schauman responded that things were a lot more complicated than presented, as the rules have changed since the time Mr. Dorsky was the Town Manager, which he offered to explain in detail. What is critical to our Medical Director is that they have a two-medical minimum, rather than have everyone triple-certified.

No other residents wished to speak about the budget.

5. **Recommendations**

b. Tentative Millage Rate for Budget FY 10/11

Councilman Ochsner said that last year the Council tentatively adopted the rolled-back rate to provide flexibility, as the final millage rate cannot be higher than the tentative rate. Town Treasurer Judith Lewis said that this is the third year in a row that the rate has been this low, and that somebody, sometime has to raise the rate simply because our costs do not go down. If millage rates are frozen, we could be stuck at this same low rate for another two or three years. The Mayor asked what has happened with the ad valorem rates during the three years, and he was told that they have been going lower. A **motion to recommend the tentative millage roll-back rate of 1.5189 for FY 10/11** was made by Councilman Ochsner, seconded by Councilman Weick, which **passed 4-0**.

c. Approve Tentative Budget for FY 10/11

A **motion to accept the proposed tentative budget for FY 10/11 with the roll-back rate reflected** was made by Councilman Ochsner, supported by Councilman Weick, which motion **passed 4-0**.

6. **Adjournment**

There being no further comments, the Mayor adjourned the meeting at 3:27 p.m.

Respectfully submitted,

/s

Laura Aldrich, CMC, Town Clerk

(Approved by the Town Council at the 8-26-10 Meeting)