



MINUTES

Friday, June 7, 2013

**FORT MYERS BEACH TOWN COUNCIL
WORK SESSION
TOWN HALL – COUNCIL CHAMBERS
2523 ESTERO BOULEVARD
FORT MYERS BEACH, FLORIDA 33931**

I. CALL TO ORDER

Mayor Mandel called to order the June 7, 2013 Work Session of the Town Council 10:00 a.m. Present along with Vice Mayor Kosinski, Council Members Andre and Raymond; Council Member List was absent. Also Present: Town Manager Stewart, Community Development Director Fluegel, Finance Director Wicks, Public Works Director Lewis, and Town Clerk Mayher.

II. PLEDGE OF ALLEGIANCE

Mayor Mandel reported he attended a recent Horizon Council (HC) Meeting where he learned they (HC) were working on the County's vacant property ordinance and foreclosed properties; and that the Horizon Council was also working with Hertz who would be brining 60% of their people from their corporate headquarters in New Jersey to southwest Florida.

III. DISCUSSION ON FY 2014 BUDGET

Town Manager Stewart reported he received a response from Gramercy who provided an initial response about the Town Hall lease issue; that he found the response to be unacceptable; that he would provide Council with a copy of their response; and that he would formulate a response and commence negotiations with Gramercy. He added the Town Hall lease topic would be on the June 17th Council Work Session Agenda. He briefly addressed the purpose of today's budget work session, and reviewed how budget work sessions had been conducted in prior years. He noted that Council was provided with the response from staff to a number of questions asked by the Mayor and Council Member Raymond; and that information on revenues was not complete because the Town had not received the information yet (i.e. State revenues).

Finance Director Wicks reported that she used the projected revenues from last year since she was still awaiting final information; and added that she did not anticipate a reduction in the revenues.

Discussion was held concerning sales tax revenue projections.

Town Manager Stewart reported that there was a .71 increase in ad valorem taxes; and noted that the numbers from the Property Appraiser were the *initial* estimate.

Discussion was held concerning ad valorem taxes; the Property Appraiser estimate and final numbers; the protest process before the Valuation Adjustment Board as it pertained to property valuation and taxes; the 'contingency line' in the budget and waiting until August to obtain a more defined revenue number; and the anticipated property valuation numbers from the Property Appraiser.

Discussion was held and Town Manager Stewart, Finance Director Wicks, and Public Works Director Lewis responded concerning the following budget items:

- General Fund Budget Summary - Revenues
 - Property Taxes
 - Utilities Tax – PST; possible fluctuation of amount, but no significant change
- Other Taxes – Change from FY 2013 Budget (\$22,500)
- Licenses & Permits – increased amount
- Fines & Forfeitures – decreased amount
- Operating Grants – decreased amount; WCIND grants were lower this year (i.e. Sheriff's wages and fuel, mooring fields, etc.); consideration to discuss mooring fields operation with TDC and charge bed tax; *Director Wicks instructed to contact Town Attorney to determine if the Town could charge a bed tax for mooring field occupants.*

Council Member Andre questioned the need for the Sheriff's Office in the mooring field, and if there was an 'incident report' from the LCSO for the mooring field.

Town Manager Stewart stated he had requested an incident report and was informed that the LCSO system could not provide that type of report.

Public Works Director Lewis reported the Town was not required to have the presence of the LCSO in the mooring field; however, in the past the Town Council had wanted the additional coverage. She added that the LCSO activity was not solely in the mooring field and that they also patrolled all the Town's waters including but not limited to the manatee zones; and the funds were for services above the LCSO core level. She noted the LCSO had two marine law enforcement deputies that covered over 400 square miles in the County.

Mayor Mandel asked if staff knew of incidents on the water that required the Sheriff.

Town Manager Stewart responded in the affirmative. He reviewed the reasons why, in the past, the Town had decided to have the presence of the LCSO in the mooring field and the back bay due to issues such as but not limited to derelict vessels, water pollutants from vessels, and the pump out of vessels.

Public Works Director Lewis explained that the LCSO was scheduled to be in the Town waters on Saturdays and Sundays; and how the LCSO monitored the mooring field over weekends. She added that each month when the Town received the invoice from the LCSO that a detailed summary report of their activities and enforcement was included.

Town Manager Stewart instructed Public Works Director Lewis to compile six months of the LCSO summary report for the Council.

Discussion ensued regarding the anticipated negotiations for the upland services provider contract.

Discussion was held and Town Manager Stewart, Finance Director Wicks, Public Works Director Lewis, and Community Development Director Fluegel responded concerning the following budget items:

- General Fund Budget Summary – Revenues
 - Charges for Services – parking revenues
 - Interest – decreased amount
 - Miscellaneous Revenues – combination of a variety of small sources
 - Transfers – TDC back to General Fund; water utility back to Town General Fund
- General Fund Budget Summary – Expenditures and Budget Detail
 - Town Manager’s Budget – reduction (\$61,803); contingency funds, reserves, Council to review contingency items and if they would be repeated again in FY14, then place the funding in the appropriate budget line; contingency budget not to appear in Town Manager’s budget line; Council action was a requirement to utilize funds in contingency; *Council Consensus to have a contingency budget line in General Services (\$40,000) and a \$10,000 contingency to remain in the Town Manager budget line*; Town Manager noted he would request to attend the ICMA Conference next fiscal year.
 - General Services – increase; funds were for a marketing/public information staff member, which the Town Manager did not recommend, or it could be utilized for the Town to have a marketing/public relations budget with an outside contractor (\$69,000 out of the \$72,389) for Mound House, Newton Park, Bay Oaks, programs, etc.); potential to have an element of a marketing/public relations contract to have the firm assist with extraordinary events (i.e. hurricane); *marketing/public information issue to be discussed further at a work session if funding is approved in the FY 2014 budget, and placement of the funding into a specific budget line would be determined depending upon whether a staff member or an outside firm was utilized.*
 - General Services – Animal Control – County staff met with all the municipalities regarding the breakdown of service costs; however, County recommendation to BOCC was unknown at this time.
 - Parks & Recreation – reduction; last year \$23,500 was budgeted for some capital projects that were to be paid for from Reserves which came from the County, and this year they were moved (budget was essentially the same).
 - Maintenance – increased; budget line represented contract labor used at various times throughout the year (primarily during season); last year appeared in the Public Works Administration budget (\$61,000); *Public Works Director and Finance Director to*

- prepare an analysis to determine Public Works needs and appropriate budget line for contract labor; anticipated items that would not receive TDC reimbursement.*
- Parking – increased; separate line item for collecting and paying sales tax
 - Community Development Administration – increased; addition of two new line items (Emergency & Floodplain Management and GIS).
 - Emergency & Floodplain Management – (\$19,000 line item increase) staff to work on changing Town from a Class 7 to a Class 6 FEMA rating to assist property owners with decreasing their flood insurance rates.

Recessed at 11:25 a.m. – Reconvened at 11:35 a.m.

Discussion was held and Town Manager Stewart, Finance Director Wicks, Public Works Director Lewis, and Community Development Director Fluegel responded concerning the following budget items:

- GIS – (\$25,000 line item increase) included some floodplain mapping requirements and work to have a GIS map on the Town’s website with zoning layers, future zoning use layers, and zoning information layers (maps would be similar to LEEPA maps); included software upgrades; and *staff to determine the functionality of the internal layer of software during the year.*
- Budget Detail
 - Community Development Code Enforcement – currently the Town had two full-time Code officers with one retiring this month; staff proposed taking one full-time position and converting it into two part-time contract positions for 28 hours per week each position (one Admin/one Code officer); and the administrative position to perform the administrative duties for the Code officers to enable officers more hours in the field.

Council Member Raymond noted his concern that by converting one full-time position Code officer that it would reduce the coverage during the week to only one officer.

Discussion was held concerning current and proposed coverage in the field by code officers; the proposed conversion of one full-time position into two part-time positions; and the new costs associated with Emergency Management & Floodplain and GIS.

Recessed at Noon – Reconvened at 1:30 p.m.

Discussion was held and Town Manager Stewart, Finance Director Wicks, and Parks & Recreation Acting Director Randy Norton responded concerning the following budget items:

- Budget Detail
 - Parks & Recreation – increase Mound House (approximately \$42,000); addition of new Cultural Resources Manager position and funds were shifted out of Bay Oaks salaries; review of reorganization at BORC and Mound House and *staff would review salary line items and update the line item for the Council.*

Council Member Raymond discussed his views on the Parks & Recreation Director and Cultural Resources positions and the organizational chart/staffing of the department.

Discussion was held regarding the Cultural Resources position; project management by the Public Works Director; and the Mound House as a project versus an operation and the associated potential staffing and expenses.

Council Member Andre questioned the budget line for Parks & Recreation Travel/Training/Meals.

Town Manager Stewart indicated the budget line would be decreased.

Mayor Mandel requested staff to prepare a revised budget for the Mound House and BORC.

Discussion was held regarding the current organizational chart pertaining to positions/responsibilities for the Parks & Recreation Department; the basis for the reorganization of Parks & Recreation in the past; and potential staffing changes in the Parks & Recreation Department.

Town Manager Stewart offered to prepare an overview of the Parks & Recreation Department to present at the next budget work session.

Vice Mayor Kosinski questioned why there were no funds budgeted for Pool Maintenance & Repair.

Town Manager Stewart stated staff would research the budget line item and report back to Council. He noted the Town did not have an outside review entity to observe, handle training, and the rating of their lifeguards; and that staff was presently researching private firms to determine a cost for them to observe, train, and rate the Town's lifeguards. He explained how this would pertain to liability protection for the Town regarding potential incidents at the pool.

Discussion was held concerning the decrease in Pool Salaries and the increase Pool Life, Health and Disability; Public Works Salaries and Public Works Administration Life, Health and Disability; and the anticipated increase in insurance premiums.

Town Manager Stewart pointed out that staff was preparing a report regarding Parks & Recreation subsidies and national average subsidies; and it should be completed this week. He reported staff was working to increase programming at the pool to increase pool usage and revenues.

Council Member Raymond noted his concern about recent usage at Bay Oaks, Mound House, and the pool at no charge. He requested information on the real cost of that action at the August budget work session.

Town Manager Stewart reviewed how the Council traditionally set a tentative millage rate higher than expected. He reported this year he would not ask the Council to set the millage higher than the current rate; he would ask to set the tentative rate at the current rate (.7687); and noted that once the rate was set it could not be increased, but it could be lowered. He indicated the proposed 2% increase for the Town staff [across-the-board except for the Town Manager] was still included in the proposed budget.

Mayor Mandel mentioned that Town Council had not had an increase since 2001 and that the Council could not vote an increase.

Discussion was held concerning the Town Manager's performance evaluation and salary increase process.

Discussion was held and Town Manager Stewart, Finance Director Wicks, Public Works Director Lewis responded concerning the following budget items:

- Budget Detail
 - Water Utility Enterprise Fund – bulk water increase was not included on either side (2%); current costs were running 'under'; Town beginning to see a slight improvement in water usage since the block rate was implemented a few years ago; the anticipated receipt of the Rate Study; and the definition of an 'enterprise fund'; Town Attorney was researching billing from the County for the bulk rate for retail; and the components of a water rate.

Town Manager Stewart reviewed potential changes to the maintenance, upkeep, and repairs in the water system budget.

Discussion was held regarding current water pressure and the potential increased water pressure and the potential need for upgraded service connections for some residential users; an estimated timetable for the water system improvement project; and the replacement of the water meters.

Council Member Raymond questioned fee waivers from non-profit organizations.

Discussion ensued regarding requests for funding and fee waivers from non-profit organizations; possible criteria for funding requests; funding sources for seasonal and special events; creating a separate budget line for funding requests such as the one from the Friends of the Arts; possibly setting funding limits or caps; special events funding to cover requests for waiver of application fees, banner fees, sand sculpting, parades, etc.; and the partial funding for fireworks included in the special event budget line.

Mayor Mandel reported that the Chamber of Commerce was willing to take over the responsibility for the coordination of fund raising for the fireworks in the future. He explained that the Town needed to confirm the offer by the Chamber, and if so, allow them time for them to 'ramp up'.

Discussion ensued concerning the budgeting process for fireworks; funding requests for fee waivers from *non-profit* organizations; creation of a separate budget line for requests from art, historical, and cultural organizations; and the criteria for approval of funding requests from art, historical, and cultural organizations [as approved by Council on 9/17/12]; and the funding for the Friends of the Arts for promotion of events.

Town Manager Stewart discussed examples of potential funding requests that the Town may want to consider.

Council Member Raymond suggested the Council should decide on setting a limit for the funding requests.

Town Manager Stewart suggested that he would estimate a funding limit and it could be discussed at the August budget work session.

Council Member Raymond requested the Town Manager include two numbers for Council's consideration in August – 1) the total amount for the year for the budget line item, and 2) the limit for individual requests per applicant.

Discussion was held and Town Manager Stewart and Finance Director Wicks responded concerning the following budget items:

- Capital Budget FY 2014
 - Correction to funding source for FEMA and Gas Tax – correct typographical error so that the remaining cost should be \$1.2 million.
 - Funding Source: Town's share of projects shared with TDC – green shaded area (Vehicle FUSO (s); Newton Park shade structure; Elevator Lift/Truck; and Beach & Bay Access Improvements) listed the Town's portion; staff could not identify a source where there was a current revenue source for these items, so the source would be from Reserves.

Town Manager Stewart reviewed the project related items and the vehicles (total amount \$167,343) which were non-reoccurring capital items as they related to utilizing the Town Reserves (Unassigned Reserves).

Finance Director Wicks discussed the other capital items listed on the next page of the Capital Budget FY 2014 which had a suggested funding source of the General Reserves (unless otherwise noted). She added that in August staff would be prepared to present a breakdown of the expected fund balance.

Town Manager Stewart expressed his belief that the budget could absorb the costs outlined; and he recommended the Council allow staff to continue to include these items in the budget for the next session and show them as funded out of Reserves.

Council Member Raymond suggested the Town consider creating a 'sinking fund'.

Town Manager Stewart reported that staff would come back to Council with their budget presentation at their next budget work session in August and that it would include a 'sinking fund or capital fund'.

Consensus agreed that the current millage rate was sufficient to present as the tentative millage rate.

Mayor Mandel questioned the Fourth of July event.

Parks & Recreation Acting Director Norton reviewed anticipated highlights of the day's events which include but were not limited to entertainment, a parade, and fireworks.

Discussion was held concerning if Council wanted to be in the parade.

Parks & Recreation Acting Director, Randy Norton, indicated he would investigate alternative methods of parade transportation for the Council to consider.

IV. ADJOURNMENT

Meeting adjourned at 3:00 p.m.

Adopted _____ With/Without changes. Motion by _____

Vote: _____

Michelle D. Mayher, Town Clerk

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