

**CITY OF TREASURE ISLAND, FLORIDA
BOARD OF COMMISSIONERS
SPECIAL MEETING ON PROPOSED FY 2008-09 BUDGET
July 24, 2008**

The workshop was called to order at 1:05 p.m. by Mayor Maloof.

I. SILENT ROLL CALL

Mayor Mary Maloof		Present
Commissioner Phil Collins	District 1	Present
Commissioner Ed Gayton	District 2	Present
Commissioner Bob Minning	District 3	Present
Commissioner Alan Bildz – Vice Mayor	District 4	Present

The City Manager opened the meeting by discussing the Wastewater Rate Study and the presentation that will be made.

Tony Hairston of Public Resources Management Group, Inc. made a presentation of their study. Their proposal is a three year rate adjustment of approximately 5% per year. This approximates the inflation rate of the past several years. It also reflects improvements to the collection system. At the end of five years you can measure how much the system is tightened and how much you will be sending to the St. Petersburg system. We want to have a component of your rate that will adjust what the City of St. Petersburg is charging.

One of the big financial issues is the condition of the system itself. There is a lot of in-flow and infiltration in the system. There is a big discrepancy between what your customers use and what gets sent to the City of St. Petersburg. You are currently placing the 25% surcharge into escrow. Under our plan the surcharge will go away after 2009. The wholesale wastewater cost is a significant portion of the total cost. The five year forecast includes FY 2008-2012. We use a cash needs approach. We are not funding depreciation.

The customer growth predictions are relatively flat. Over the last three years the number of units served has grown by less than ½ percent per year. Currently there are about 7,600 units served by the wastewater system. We have a revenue projection based on the existing rates.

The revenue requirements need to fund operating expenses, payment of debt service, and funding the five year capital improvement plan. We need to make sure that this is an ongoing viable fund.

On the operating expenses we look at the FY08 and FY09 budgets. One of the things that we look at is a general inflation rate of approximately 3.3% per year. We also look at the labor escalation for FY 2010 through 2012. We assume a unit cost increase of 4.8% per year in the purchased wholesale wastewater cost. Our forecast includes a 1.5% operating expense contingency and a nominal increase in expense when Pinellas County takes over the billing.

The capital improvements plan largely relies on repairing the system. Approximately six miles of line would be replaced. You will also have the lift station refurbishment, manhole relining,

main station refurbishment, and lift station #3. He explained the funding sources for these projects. He presented a summary of proposed costs and cash flows.

He gave a summary of the proposed rates and a comparison of the proposed rates versus the current rates.

Mr. Hairston explained the Purchased Sewer Adjustment, which would start in October 2009. It is comprised of the projected annual purchased wastewater cost divided by the projected annual revenue gallons, minus the base year cost. He then presented a bill comparison for the proposed October 2008 billing.

Their recommendation is a rate increase as explained in the presentation.

Commissioner Minning asked about the benefit of the I & I. Mr. Hairston explained that it would result in less water getting into the system and being billed by St. Petersburg. Commissioner Minning stated that as the strength and volume decrease we are billed less by St. Pete. How does that factor in to their cost estimates? Mr. Hairston stated that they would have to see how the next few years went. The affect may be immediate, but they won't know until they start the I & I program.

Commissioner Collins asked how many days operating reserve we currently have. Mr. Hairston stated that we have about 140 days. Their recommendation is a minimum of 90 days, the target is 180 days. He feels that 180 days is prudent since we are a coastal community. Commissioner Collins asked for clarification regarding the water volumes going to St. Petersburg. We currently have more water going to St. Petersburg than our customers are using. This is due to ground water infiltration. Commissioner Collins asked if every municipality has the problem, or if it is unique to Treasure Island. Mr. Hairston stated that it is common to every municipality, but Treasure Island's levels are much higher than normal. Mr. Silverboard explained where this water could be coming from. Commissioner Collins asked what we could do to stop this from occurring. Mr. Murphy explained the I & I program.

Commissioner Gayton asked if they had done any comparisons if the surcharge does not go away. Mr. Hairston explained what would happen with the rates.

Commissioner Minning asked about the funding source for this. This is an equipment cost. Mr. Silverboard explained that a lot of the equipment that is used in sewer is also used in stormwater. We want each one of those utilities to pay their own way.

Commissioner Bildz compared our rates to other cities and the County, and asked if it made sense to tie into the County system. Mr. Silverboard stated that we would look into that, but it is very expensive. Commissioner Bildz stated that with St. Petersburg being so low, it appears that the City of Treasure Island is subsidizing them. Mr. Silverboard answered in the affirmative.

Mr. Ruckdeschel asked if the rates were based on the number of people that paid them, and if they had a breakdown of the number of people that paid them. Mr. Hairston stated that there are approximately 7,600 units on the wastewater system. Mr. Ruckdeschel asked if a duplex was counted as two units. Mr. Hairston answered in the affirmative. Mr. Ruckdeschel asked what they did with condominiums. Mr. Hairston explained that they are on a per unit rate based on the number of units. It is like a single family, but is charged per unit. It also depends on if there is one meter for the entire building, or separate meters for each unit. Mr. Ruckdeschel

asked about the fee for a unit that didn't use any water at all. Mr. Hairston stated that there is a minimum monthly charge per unit, and they pay a proportionate bill.

Mr. Silverboard stated that when they get the final report they will put it on the website.

II. OVERVIEW OF BUDGET

Given on July 22, 2008

III. REVIEW OF DEPARTMENTS:

The following departments were reviewed on July 22, 2008:

1. General Fund Revenues
2. City Commission
3. Administration
4. Personnel
5. Finance
6. City Clerk
7. Legal
8. Information Technology
9. Police
10. Fire & EMS
11. Community Improvement
12. Public Works
 - a. Beautification
 - b. Beach Improvement
 - c. Municipal Facilities
 - d. Causeway

The following departments were reviewed on July 23, 2008:

9. Police
 - e. Police Training Fund
 - f. Police Contraband Fund
 - g. Equipment & Vehicle Maintenance
13. Recreation
 - a. Recreation
 - b. Beach Pavilion
 - c. Recreation Center
 - d. Recreation Ctr. Maintenance
14. Customer Service (Passports)
15. Non-Departmental
16. Transit
17. Library
18. Special Revenue Funds
 - a. LOISS

- b. Gas Tax
- c. Transportation Improvement

At 1:58 pm. Mr. Silverboard suggested that they go through the Water Pollution Control Fund since they just had the presentation. See below.

19. Enterprise Funds

a. Solid Waste

Mr. Silverboard explained that the revenues reflect a 5% increase in the recycling fee. He presented the Commission with the proposed rates. We are proposing a 5% increase on the recycling side. We have a contract with Waste Management for recycling. We have curbside recycling for residential properties. On the refuse side we are recommending a 6% increase, which primarily covers the expense of the increase in our gas and oil, some of our labor costs, and the cost of a new grapple clamshell truck. It is like a dump truck with high sides and a grapple/claw on it that an operator uses to pick up large items such as appliances and yard waste. It would be replacing a rear loader that we are currently using for yard waste. We would hold onto the rear loader for one more year because we may need it for refuse from time to time. We ran into a situation this year where we had two trucks down and had to rent one. We will hold onto it and not use it unless we need to. What this means is that a single family monthly bill will go up to \$20.05. This is a \$1.11 increase.

Commissioner Collins asked if picking up only once weekly would be a way to save costs. Mr. Silverboard stated that there are many communities that are doing it. It would be a big adjustment, and only save on fuel. We would still be paying the same tipping fees and having to make multiple trips to the burn plant. Mr. Murphy stated that there was merit in looking at it, and they would have to do a full study. He has concerns about the size of containers that the residents would have to have.

Commissioner Collins asked about the rear loader truck and if it was the truck with the lift on the back. Mr. Silverboard explained that this was a traditional garbage truck.

Commissioner Gayton asked about the \$8,500 budgeted for replacement recycling containers, and whether this should be the responsibility of Waste Management. Mr. Silverboard stated that we are responsible for purchasing the containers. Commissioner Gayton stated that he is glad to see that more people are recycling and urged people to participate.

Commissioner Bildz pointed out that there is an adjustment on the labor that saved us \$30,000. He stated that they could lower the rate adjustment due to that savings. Commissioner Minning stated that there is a 20% cash balance, so he agrees with Commissioner Bildz. Is that more than we need? The \$390,000 is 20% of the fund. Mr. Silverboard stated that we need to build our cash balances up. We are going to have trucks that need to be replaced in the future.

With this budget we are down to the number of personnel that the Commission expected when we went to the automated residential pickup program.

Commissioner Minning asked for clarification of the number of personnel in this department. Mr. Silverboard explained that there was a vacancy that wouldn't be filled, and that we are now charging some administration costs in this fund. Mr. Raus explained how the trucks were manned. Commercial pick ups still require two people to pull dumpsters.

b. Water Pollution Control

Mr. Silverboard explained the salary allocations in this fund. He then explained the revenues. They plugged in a rate increase. They did not have the report when they did the budget, but they used a 5% increase.

Commissioner Gayton stated that the only reason he asked if they had calculated the amounts if we continue to have the surcharge was because he wanted to anticipate the future rate increases. In the 06-07 budget we anticipated the rate increase, and we increased rates 35%. Mr. Silverboard stated that the rate increase was not to include the 25% surcharge. In the 07-08 budget the surcharge was anticipated. Commissioner Gayton asked if the increases in the 06-07 and 07-08 budgets were enough if they do not eliminate the 25% surcharge. Mr. Silverboard stated that it is not enough. If we do not prevail on the surcharge we will have to raise rates another dollar.

Commissioner Bildz asked at what point is our rate reduced from the expenditures for the I & I. Mr. Silverboard stated that we anticipate three years. We will do those projects that give us the best return on our expenditure, and save the projects that won't save much for last. We need to get our system a lot tighter. 75-80% infiltration is way too high. We should be at 20% or less.

Commissioner Gayton asked how we will address the laterals. Mr. Silverboard stated that we need to have a program, and it may have to be addressed by the Commission by ordinance. Commissioner Gayton asked if the flow was measurable from the laterals. Mr. Silverboard answered in the affirmative.

Commissioner Minning clarified that the way we get our money back is by the adjustments and that could go into the negatives.

Commissioner Minning asked if the gas and oil estimates in the budget are realistic. He feels that they are very modest. Mr. Murphy explained that some of the fuel calculations are in error. There needs to be an increase. They will have to reallocate some of the fuel from sanitation to this account. In total the amounts are right on target. Commissioner Minning asked if it was the same case for the electricity. Mr. Silverboard stated that they should be pretty close based on the 8 month usage.

Commissioner Bildz asked about the laterals and what someone would have to do to tie in. Mr. Raus explained that they can't attach to Orangeburg. At that time we put in a cleanout and a tie in to the lateral. Commissioner Collins asked

if we have existing Orangeburg pipe. Mr. Raus stated that the city doesn't own any, but there is still some privately owned. When we find it we notify the homeowner that it needs to be replaced.

Commissioner Minning asked how they allocate the cost of Alcalde & Fay. This is the allocation that we have done for several years between Sewer, Stormwater, and Solid Waste. They help with acquiring grant funds for these departments.

Commissioner Minning asked if the money being held in escrow for the St. Petersburg surcharge was held in an interest bearing account. Ms. Chapman answered in the affirmative. Commissioner Minning asked why he did not see interest revenue for it. Ms. Chapman stated that she doesn't have it budgeted separately, but that it is earning interest. Mr. Silverboard stated that we also have some legal costs there as well. We are budgeting \$70,000 and it may go higher than that. St. Petersburg is going to fight this tooth and nail. They receive almost \$400,000 from us that they will not get, nor will they get it from other cities if we prevail. Commissioner Collins asked if there is some kind of class action suit we can file since this will benefit the other cities as well. Mr. Silverboard stated that the City Attorney has contacted other cities regarding this. He does not know what the outcome of those conversations is at this time.

c. Stormwater

Commissioner Minning asked if the administrative costs were estimated by the Finance Department, and what they included. Mr. Silverboard explained that it included many employees and expenses that were not normally charged to that fund. We are trying to allocate what it really costs to run that fund, and to then charge the appropriate fee. This helps us to decrease the pressure to charge a higher fee elsewhere if we are charging the appropriate fee to each fund.

Commissioner Collins asked why there was nothing on here for gas and oil. Mr. Silverboard stated that it is not in there, but should be. We will catch it next year and add it in.

Commissioner Minning asked about the cash balance for the end of the year. Is it important to get it up this year if we aren't going to use it? Mr. Silverboard stated that we are appropriating \$92,000 out of the fund balance this year. It is important that we start funding the fund balance out of this account, and important that we put aside money in an R & R account for future use. Commissioner Minning stated that his question was more one of timing than need. Mr. Silverboard stated that he isn't building the fund balance up, but is lowering it. Commissioner Minning asked why we are building up fund balance and increasing fees. Mr. Silverboard stated that it is because we have not been setting anything aside for R & R. The cash balance acts as an unofficial R & R account so that we are setting aside money to help relieve the pressure on rates later. Commissioner Minning asked why we are building up a cash balance this year when we end the year with a \$200,000 cash balance. Mr. Silverboard stated that the undesignated fund balance should be at a certain point. We are ending the year with \$640,680. The next day we will have in that fund balance

\$548,000. We are reducing the fund balance by almost \$100,000 in the upcoming budget. Commissioner Bildz asked if we need a year and a quarter's reserves. Mr. Silverboard stated that this amount doesn't represent what this fund actually costs. It is still being subsidized. It is not paying 100% of its needs. He did a projection based on what the capital needs are, and will need to come back with a 10% increase next year, and another 10% increase the following year. Commissioner Minning stated that there is nothing wrong with taking money out of fund balance if we need to. Mr. Silverboard stated that the rate increase will generate \$145,000. Commissioner Minning asked why we can't lower the rate increase this year and proportionately increase it next year so that it isn't coming all in one year. Mr. Silverboard stated that we really needed a 65% increase this year. Commissioner Minning asked why we couldn't do 30% this year and 30% next. We would still wind up at the end of the year with over a half million dollars in fund balance. Why do we need to increase the rates 45% this year if the money is going to sit here? Mr. Silverboard stated that if they choose a 30% increase he would have to calculate that. What that means is that there will not be money in the event of an emergency or in the R&R account. Commissioner Gayton asked what percentage we want in the fund balance. Mr. Silverboard stated that our true costs are probably another \$300,000 or \$400,000 higher, and he is reluctant to lower the balance. Commissioner Gayton stated that we should wait until we know what we need and address it then. Mr. Silverboard stated that what we have now is 25% of an inadequate amount. Mr. Silverboard stated that they will be lowering fund balance by close to \$100,000. Commissioner Gayton asked what rate increase we would need to keep the fund balance where it is. Commissioner Minning asked if we need a fund balance of \$640,000 sitting there. Could we look at a program similar to what we saw today with Wastewater. Mr. Silverboard stated that setting the rates for the stormwater utility is vastly different than setting the rates for sewer. We can go to a lower increase, but he thinks that it is not a good thing to live on fund balances and use those as the method of keeping a fund afloat. Commissioner Minning stated that you can use fund balance if it is much higher than the needs are. Mr. Silverboard stated that he doesn't know what the true needs are. He is hesitant to reduce fund balance for that reason. He is not proposing to increase it, and thinks that it should be around half a million dollars. If they have a problem with 45% he doesn't think that they want to take \$100,000 out of fund balance to purchase equipment. We will never get the surplus back. The reason we have a surplus is because we collected that money and didn't spend it, and now we need to start spending it. One thing that we mentioned yesterday was street sweeping. That should be an expense in this account. We don't know all the things that we are doing that are in other funds that should be here.

Commissioner Bildz stated he would like to see 0% increase because we are burdening our residents. He appreciates the concern and the work, but would prefer to see a 0% increase until we have hard facts. Mr. Silverboard stated that they will run the fund into the ground, and we don't want to do that. When the increase in the stormwater fee was approved there was supposed to be a plan, but it was never done. What we are relying on with this is a study that was done ten years ago as to some of the needs that the city had. He reduced capital projects in order to reduce what would be coming out of fund balance and

increasing rates further. He will calculate it however they want it calculated. Commissioner Minning stated that it is tough to do when they don't know what their future needs are. Mr. Silverboard stated that they should take a look at their capital improvements program. There are over \$5 million in projects. He doesn't want to recommend 45%, but it is only generating about \$111,000. He doesn't have the money to do all the projects even if he drains the fund balance. We are hoping that we can get some of the money from grants. We are beginning a program, and we haven't had that before. He is trying to lay out to them that they have millions of dollars of repairs that they are going to have to do. We go after property owners that have let their seawalls fall into disrepair, and those property owners are going to expect us to not let ours fall into disrepair. Some of the projects in the capital improvement program will never get done, but there are certain things that we have to do. We have LOISS paying for a lot. We have miles and miles of streets that need work. We have two bridges that are going to eat us alive. We have to start planning financially for all of these things. Commissioner Bildz stated that 45% sounds like a lot, but it only generates \$111,000. He would still like to see it reduced. Commissioner Collins stated that he would like to see it reduced, but can we afford to reduce it in light of what we are looking at in the future. Commissioner Minning stated again that it is a question of time. We are asking for a lot of fee and rate increases.

The meeting was recessed at 3:03 p.m. The meeting was resumed at 3:23 p.m.

Mr. Silverboard reopened the discussion of the Police budget. He reviewed the information provided by the Sheriff for contracting services. He has not discussed with the Sheriff whether he will take our four full time and one part time dispatchers. After deducting the start up costs it is a savings of \$90,000 in the first year. We would have an additional savings of some amount each additional year equivalent to the \$130,000 in 2008 dollars. The evidence proposal that he provided also had start up costs. We have about 3,000 pieces of evidence that we would have to transition to his custody. After deducting the start up costs the savings would be approximately \$17,500. Even though there is a dollar savings there are certain disadvantages that we would have in turning these things over to the Sheriff. The next item is the detectives. The start up costs include equipment. After deducting start up costs the savings would be approximately \$58,000 in the first year. The Sheriff's proposal includes one detective. Treasure Island currently has two. If this proposal were accepted the two newest hires would be the ones to leave, and the two current detectives would remain with the Police Department at their current salaries. Commissioner Collins asked if it was anticipated that any police officer was retiring. Chief Casey is not aware of anyone. The last proposal from the Sheriff is records. There are currently two people that are involved in records. An Administration Assistant's primary function is records. The Records Clerk does other duties as well. Commissioner Bildz asked if they were to agree to any of this what would be the start up date for this year. Mr. Silverboard stated that they would need to negotiate final rates. They would try to start by October 1st, but it might be later. This is one of the least pleasant aspects of their jobs. He knows that we are talking about people's lives. There is probably a true cost savings, but we don't know if there really is a true benefit. There are advantages to having our own dispatch and records systems. From the standpoint of evidence, it is helpful to have the evidence here rather than having to go across town to view it.

Commissioner Minning asked how what we are talking about here fit with the Commission requirement if we were going to disband the police force. Is it in totality, or any segment? Mr. Silverboard stated that it is if they were going to contract out the police force entirely, but not if they are contracting out a segment.

Chief Casey gave an overview of the proposals and their affects on the budget. Each segment on the report represents what the Police Department budget would be based on the individual item. We included overtime, training, and equipment. Acknowledging that Amendment 1 has caused problems for everyone, this is not a silver bullet. We have to look at the level and quality of service provided to the residents, and if you remove any function from any organization there is an impact. The Communications staff is where it begins when you contact the police. It is important that we remember that they are talking with people in Treasure Island who know the streets, landmarks, people, etc. Most of the time when people call the police it is not a life threatening issue. When it is you do not want the person answering the phone to have to stop and look something up. Communications staff does more than answer the phone. The impact can be phenomenal in the difference between people that know the area and people that do not. When we talk about records, records are the lifeline of your business. They can be stored elsewhere, but it makes it difficult to do their jobs. The records are accessed every day. If you go to the Sheriff's office all of that management and accessibility leaves us. We maintain three years of records on premises. It is an enormous undertaking to remove records and expect it not to severely handicap how things work. Records are a significant portion of our operation. It would be so difficult to function that it would erode how the officers look at what they do. It is more than just taking a filing cabinet out of the room. In terms of the detective's proposal, we have two detectives. They work a phenomenal amount of hours during the week and they are called back in after hours. Treasure Island is busy. They are called in six or seven times per month after hours. There are offenses that you don't hear about that happen to visitors to the city. The investigation is what makes or breaks the department. Both of these detectives have over twenty years of experience each. If two people are that busy one person could not possibly provide the level of service that we currently have. Will the detective from the Sheriff's office work in Largo, or will they work here? They will work in their records system, and we have our own. Our officers bring the work forward to the detectives. You will have to have two agencies doing the job of one. If you look at this as just numbers then he has no further argument. The money is not that significant, but the affect that it would have on the staff and the service that this city receives, and the amount of input that they all have on the department is significant. If these divisions are removed from the Police Department it will start the process of dismantling it from the inside out. When we went through this before the residents spoke. They prefer to have their own Police Department. People move here with their families because of the safety that is provided. There is a cost, but you have to look at the service that you get for that cost.

Commissioner Bildz asked how much the bottom two officers' salaries are. They are approximately \$63,000 each, including their benefits.

Commissioner Collins stated that one of the proposals was to lose our two detectives and go to one detective. Are our two detectives full or part time? Chief Casey stated that they are both full time. Commissioner Collins asked if there would be a cost savings if we went from two Treasure Island detectives down to one. Chief Casey stated that it would increase the cost of overtime, etc. due to the increased workload of one officer. Chief Casey stated that they don't work normal hours. They are on call 24/7. One could not do it. Commissioner Collins asked if the property evidence job could be shared among other officers. Chief Casey explained that he

spends roughly 60% of his time doing evidence. There are stringent requirements on how it is kept. We have to limit to no more than two people who have access to the property room. They are professionally trained. We would probably lose 30-40% of our cases based on that alone. Commissioner Collins asked why it wouldn't be just kept on a computer rather than move it to the Sheriff's Department. Chief Casey stated that we are in the process of creating a new system with new records management software. There are thousands of pieces of evidence that must be catalogued. There are time frames on certain types of property and evidence that must be disposed of. The reporting takes months to complete. It would be impossible for an officer to do that and patrol.

Commissioner Gayton stated that the request for proposal did not come from the Commission. The City Manager did his job by providing information to the Commission on costs. Someone will ask everyone sitting at this table what the difference is in costs. The proposal from the Sheriff comes up to \$286,000. Can someone tell him what those costs are in the City of Treasure Island? If you replace it exactly as it is now it would cost more to go to the Sheriff's office. Mr. Silverboard stated that it would be a difference of \$164,117, which includes the start up costs. The second year would be an additional savings of \$58,000 less any increased costs.

Commissioner Collins stated that he is concerned because the Sheriff is faced with the same Amendment 1 issues that we are. We would have no control over that situation. They are facing budgetary problems too, and they could come back and raise our rates very high.

Mr. Silverboard stated that the risk is this. The current Sheriff is Sheriff Coates. You do not know who the future Sheriffs will be. The Sheriff is an elected official, and anybody can run. You have control over your police budget now. If there is something going on that you don't like you can call me and I call the Chief. When you contract out you don't have that control. You lose a degree of control. That is something to consider. There are many cities in Pinellas County that have contracted with the Sheriff and they say that they are happy with it, but it is different between having your own Police Department and having the Sheriff provide that service. I think that we can do this budget if the Commission is willing to go to the rollback rate. You have made sufficient cuts in the general fund that we think that we can end up with a fund balance in the plus if we go to the rollback rate. It would be somewhere in the neighborhood of about \$95,000. That is assuming that we pay for the library with the rollback rate money. Is it critical? If you want to maintain the 2.3878 mills, there is no way you can do it without a significant cut. At the rollback rate we can have a budget that starts putting the general fund on a sound basis where we won't be bleeding it next year like we have the past two years.

Commissioner Minning stated that his recollection of the police issue before was that there was a clear outpouring of support for our local Police Department. The feedback that he has received has been to keep it intact. He would like to see it intact. If we need to go into this budget deeper he would be willing to find other places to cut.

Commissioner Gayton asked how many walk ins they have to the Police Department on a monthly basis. Chief Casey stated that it is over 100 a month, and much more during the tourist season. Commissioner Gayton stated that he is not in favor of splitting up the Police Department either.

Commissioner Bildz stated that the two detectives would be a minimal savings, so he doesn't think that it would be the way to go. He feels that it is worth looking at the Communications

proposal. He also feels that if the numbers are correct, they would be doing the city a disservice if they didn't look at the property evidence proposal.

Commissioner Collins stated that he feels if they fragment the Police Department we would be doing everyone a disservice. Chief Casey brings up good points regarding the detectives and the hours that they work. He always brings up good points regarding the evidence and the cases taken to court. We could lose valuable time working on cases. He feels that the important thing is not to cut the budget at the expense of the safety of our residents.

Mayor Maloof stated that she received one e-mail. This person said to do what they had to do with the budget, but do not do anything to our Police and Fire Department. On a bigger scale she thinks that our Legislature is trying to fragment us and lead us towards consolidation. She has heard some of them mention that. This has probably been the saddest time for her as an elected official because the Legislature and Governor blamed the municipalities as the problem with the property tax structure. She has resented that because a lot of people believe that. They talk about how we waste money. If any of our citizens listen to what we go through they would see that we don't waste money. We are good stewards of our taxpayers' money. When we have extra money we try to fix things up and make it a more pleasant place to live. The Legislature was tremendously at fault for not standing up and doing something about some of the exemptions and the unfairness of our system. We need people to go to the Legislature that understand it and can do a better job of sorting out the mess we are in. She does not want to fragment any part of our community. We will watch every penny that we can in every department.

Mr. Silverboard stated that the only other police issue that we have is whether they are going to add the Marine Patrol back. The net cost would be \$26,190. The personnel cost is already in the budget. The total Marine Patrol budget is \$61,980. He needs to know whether they want that added or not. It appeared the day before yesterday that there was a consensus to keep it in for at least this upcoming year.

Commissioner Gayton stated that the total salaries for all police personnel include the Marine Patrol who last year was budgeted at 50% as a Marine Patrol Officer. Chief Casey stated that it is officers that are rotated to the Marine Patrol. It is already budgeted. It is not an additional salary. Commissioner Gayton stated that last year there was an individual Marine Patrol budget. He clarified that the \$32,000 went back over to the Police Department budget and includes the Marine Patrol officer. Mr. Silverboard answered in the affirmative. Commissioner Gayton clarified that if they put the Marine Patrol Officer's salary back into Marine Patrol it would come out of the Police Department. Mr. Silverboard answered in the affirmative. Chief Casey stated that the officer would go back into the patrol rotation and there would be no cost savings in salaries to eliminate the Marine Patrol. Commissioner Gayton asked for an explanation of why the overtime costs are so high, and if an officer on a regular rotation is replaced by an officer being paid overtime for vacations or short term absences. Chief Casey explained that unless something is going on they would not replace an officer working the day shift for a short term absence, but they would on the night shift as the night shift is very busy. Mr. Turner explained that they have ongoing contract negotiations with the Police Department that will reduce the overtime by a considerable amount. We calculate overtime in a way that is most favorable to the officer. The Fair Labor Standards Act allows for us to be less generous. It would save the city a huge amount. We are still in negotiations with the union. There are other cost savings measures that are achievable in the negotiations as well.

Commissioner Bildz asked if we still have canine officers. Chief Casey stated that we have one canine and one officer. Commissioner Bildz asked if the dog could be taken inside buildings to ensure that nothing happens to the dog in an idling car. He also has an issue with a car idling for hours. Chief Casey stated that they have to be sure that the dog does not become a pet. He will look into it.

Commissioner Collins asked if we are reimbursed for Police overtime if it is for a function in the city. Mr. Silverboard stated that the cost of police officers is reimbursed for some events. We have been giving away city services in the past. Commissioner Collins stated that we need to start charging for them for each event. It should not be the responsibility of the taxpayers to pay police overtime for events. He also, like Commissioner Bildz, has a problem with cars sitting there idling. He asked for clarification on the cost of the Marine Patrol officer and the cost savings. The savings is approximately \$26,000. He stated that he loves the Police Department, but is not sure we need the Marine Patrol. There are other agencies out there.

Mr. Silverboard asked to revisit the LOISS fund at this time. The proposed revenues this year are \$334,000. That is the state's estimate that we got. We would also have some interest earnings. This is tied to the capital improvements program. He then gave a proposed list of items that the LOISS funds would pay for this year. The traffic signals should not be on the list. We are transferring money out of LOISS to the Capital Projects Fund to get assessments on the Palms bridge and the Capri bridge. We will likely have major repairs to do on these bridges in the next few years. The total is \$570,044.

Commissioner Minning commented on the 119th Street access improvement. He called the management there to ask what their intent was regarding their original proposal to us. He has not heard back. He would like us to explore that again. Mr. Silverboard stated that we can do that. It is his understanding that the Commission wanted us to proceed with getting the sidewalk expanded. They would still have to come to the Commission for approval of their plan. Commissioner Gayton stated that he would rather just go ahead and do it instead of waiting. Commissioner Bildz asked when we were planning on doing this. It would be right after October 1st. Commissioner Minning commented that he would hope that by October we would have an idea of whether this would be funded.

Commissioner Gayton commented that we have a Capital Improvement Program for dock repairs. Is that the same money that we have appropriated for the grant? Mr. Silverboard stated that there is a requirement that when someone gets a submerged lease for a dock they must make a contribution to a public improvement project. Publix needed a program to offset, so they will be funding the cost of replacing the decking and railings at 100th Avenue. We think there will be some additional projects where we can get 84th and 123rd done too. Ms. Hayduke stated that there is Public Interest money available, and DEP has approved Publix's project. We should know within 60 to 90 days whether DEP has approved the other two. Commissioner Gayton stated that we had discussed before putting up some sort of barrier between the docks and the neighbors. Mr. Silverboard stated that we would have to amend the ordinance to allow a fence higher than four feet.

Commissioner Minning asked if there was an opportunity to have the NOAA grant cover the concrete repairs. There is \$380,000 left for beach access. It did say that concrete repairs could be eligible.

Commissioner Collins stated that when we fix the concrete, five years from now we will be faced with the same problem. Mr. Silverboard stated that it needs to be done right. It was done without a foundation. Mr. Murphy explained that if it is done correctly it can last. It was not properly installed or engineered. Some of the drainage is causing problems. Mr. Silverboard stated that they will check with NOAA to see if we can use part of the grant funds for it, and we will check to see what the requirements are for tearing it down. Before we award anything we will come to the Commission for your guidance.

20. Capital Projects Fund

Mr. Silverboard stated that this is the fund that LOISS money and grant money is used. There are other items that we need to fund in the budget. The Sunset Beach Parking Permit project needs to be funded. In terms of expenditures, what we are proposing is to transfer funds from LOISS into this fund to do the study on the bridges. We are transferring NOAA money. He listed the projects that would be funded this year. He does not believe there will be any city expenditure for replacing the railings and the decking at the three boat ramps. Ms. Hayduke explained that they have money for the feasibility study for the marinas. Once that is done they will come to the Commission with the results. There is grant money for the engineering design. Commissioner Minning clarified that we have grants to cover the \$80,000 and the \$84,000 if the Commission decides to go forward. Ms. Hayduke answered in the affirmative.

Commissioner Gayton asked where the money for the feasibility study came from. Ms. Hayduke stated that we had money budgeted in this year's LOISS for this. The remaining amount will come out of the grant. Commissioner Gayton asked if this came before the Commission for permission. Ms. Hayduke stated that they granted permission last year.

- a. Palms Bridge Replacement
- b. Capri Bridge Replacement
- c. NOAA Beach Access
- d. Sunset Beach Parking Permit Sign Project
- e. Wind Retrofit of Police/Fire Station
- f. Expansion of City Hall Marina
- g. Treasure Bay Marina
- h. Dock Repair/Maintenance

VI. Setting Special Meeting to Adopt Tentative Millage Rate

Mr. Silverboard stated that they had to adopt the tentative millage rate.

The meeting was recessed at 5:05 p.m.. The meeting resumed at 5:15 p.m.

Mr. Silverboard stated that according to their calculations the Commission has added \$39,689 to the budget, but decreased the budget by \$68,410. We have been able to find additional revenue that had been left out. After all is said and done you have reduced the budget so that we would be adding an additional \$43,721. If you decide not to pass the .0671 millage increase and keep the library in the general fund you would be adding \$69,000 to the fund balance. This presumes that you will pass all the other fee increases and adopt the rollback rate. The bottom line is that you have made sufficient cuts to the budget so that if you decreased the proposed millage down to the rollback rate you will be adding to the fund balance as opposed to taking out

over \$300,000 this year. Commissioner Bildz clarified that you were proposing to add \$132,339 this year, but that was with a millage rate higher than the rollback rate. Commissioner Bildz clarified that the enterprise funds were not included. Mr. Silverboard answered in the affirmative and listed the proposed increases in fees and revenues.

Commissioner Bildz asked if the current parking passes would be good at the new metered parking spots. Mr. Silverboard stated that he is proposing that they eliminate the \$5.00 hanging parking pass and adopt a \$25.00 pass that would be a sticker that residents could purchase for each car that they have registered. They would be good at all metered parking areas.

Mr. Silverboard again clarified the fund balance figure. This would bring our fund balance to 15.9%. Ms. Chapman stated that she had fund balance projected at \$1,494,663. If she adds this she gets \$1,538,384. On her sheet when she originally figured this she had a surplus of \$127,037.

Commissioner Gayton asked what we were trying to do here now. Were we trying to finish everything now? We have taken three days to try to reduce everything we can. He would like to see updated numbers and come back one more time. He is not going to pass a budget that is 17.2% over. Why do we need all this fund balance and increase taxes? The Commission will be provided with the new numbers via e-mail tomorrow.

It was decided that they meet at 10:00 on Tuesday, July 29th to review the final numbers and set the tentative millage rate.

Dominique Reiter thanked them for doing a great job and for keeping the police department intact.

Commissioner Minning reminded everyone of the Elnor Island Cleanup on Saturday.

Sid Appel thanked the city employees for their hard work on the budget. The City of Treasure Island is tapped out. With each raise in taxes and fees more businesses and residents will leave. There are over 100 foreclosures as of two weeks ago, including apartment buildings. He owns a 10 unit apartment building, and keeps the rent low to compete with condos. The two apartment buildings next to him are 50% vacant. Treasure Island residents are facing the same fuel costs and inflation as the city. If an election were held, he would suggest that any increases in taxes or utility taxes they would be voted down by a super majority. Some of our roads were not meant to carry heavy trucks. They should not make everyone pay for a library that few use. If you were faced with budget cuts at home would you spend money on beautification? Many businesses are no longer paying for health coverage at 100%. An effort must be undertaken by the city to look closely at its residents and business situations. The existence of Treasure Island as you know it today is on the line. He will be leaving the island soon along with many others. We are in dire and drastic times. This is not a time to discuss what you want. This is a time to take the money you have and decide what you can do with it.

VII. ADJOURNMENT

The workshop was adjourned at 5:45 p.m.

Mary Maloof, Mayor

Phil Collins – District 1

Ed Gayton – District 2

Bob Minning – District 3

Alan Bildz – District 4

ATTEST:

Dawn M. Foss, City Clerk