

**CITY OF TREASURE ISLAND, FLORIDA
BOARD OF COMMISSIONERS
SPECIAL MEETING ON PROPOSED FY 2008-09 BUDGET MINUTES
July 29, 2008**

The meeting was called to order at 4:05 p.m. by Mayor Maloof.

I. ROLL CALL

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

II. CONTINUATION OF REVIEW OF DEPARTMENTS

Mr. Silverboard stated that there were a few items that the Commission wanted to discuss. Commissioner Minning had pointed out that in the IT Department there was a replacement of a TV camera that needed to be moved from the General Fund to the LOISS Fund. The amount is \$3,100.

Mr. Silverboard stated that there was not an agreement on the Stormwater Utility fee. He had proposed a 45% increase, which would generate an additional \$110,000 for the Stormwater Fund which is needed for the Capital Outlays that we will be doing out of that fund. Commissioner Minning had asked him to run a scenario of what a 30% increase would look like. The handout is a rate schedule with a revenue estimate. The rate has a 45% increase on one, and a 30% increase on the other. We currently are charging on a bi-monthly basis \$5.52 for a single family residence. That is the number used for the EDU, or Equivalent Dwelling Unit. 45% would bring the charge to \$8 bi-monthly, or \$4 per month, up from \$2.76. At 30% the rate would increase to \$7.18 bi-monthly, or \$3.54 per month. Under the existing rate we are currently getting about \$260,000 from that EDU rate, which includes interest income. Under the 45% increase we would be getting about \$372,000, or approximately \$112,000 more. At 30% we would be getting approximately \$77,000 more. Commissioner Minning asked for clarification on the sheet that included the oil and gas, and whether it was referring to the 45% rate increase or the 30% rate increase. Mr. Silverboard stated that it is the 45% increase. Mr. Silverboard then provided a handout and explanation estimating revenues at the 30% increase. The difference between the 45% increase and the 30% increase is around \$40,000.

Commissioner Minning stated that the Capital Outlay is what is decreasing as opposed to the revenues. He thinks that the Commission will want the details on the capital projects so that they can decide whether they should be done in the next 4 years or not. He would prefer to go forward with the 30% increase now, and perhaps a slightly higher increase next year than the 10% suggested. Commissioner Collins stated that without knowing what the projects are going to be he doesn't think it would be prudent to go with the 45% right now. Commissioner Bildz stated that right now is not the time to do it. It is serious times and anything that we can put off till next year or the year after we should put off. Mayor Maloof stated that it is a large percentage, but a small dollar amount. Commissioner Minning agreed that individually it was not, but when you add them all together it is more. Commissioner Minning suggested 30%.

Commissioners Gayton and Collins agreed. Mr. Silverboard gave a brief explanation of the Cooperative Funding Grant. The application cycle ends in December. We do not have a grant for a major capital project that will go into affect in October. We will know in time for budget next year whether we are going to get the grant. We need to get this done, particularly in some of the areas of Sunset Beach. You can't get the grant without guaranteeing that we have the match funds. We also have sewer pipes, other piping and storm water sewer to replace. The study that we have for our storm water is ten years old now. We are using that study to identify our capital needs. We estimate that we will be spending about \$500,000 a year over the next ten years or so.

Commissioner Minning asked if there was a limit on the grant from SWFMD. Mr. Silverboard stated that there is not, but we would need to be careful not to bite off more than we can chew. We need to prioritize and come up with a five year program.

Commissioner Bildz stated that we are listing gas and oil and that they were told it was going to be shifted. Where is it shifted to? Mr. Silverboard stated that it was unintentionally left out of Stormwater, and left in Solid Waste. There is not a decrease.

We are anticipating small increases in recycling and refuse fees. These are built into the causeway fund. This will also cover debt service for the clamshell truck that we are trying to buy. Commissioner Collins asked what the need was that required us to get this at this time. Mr. Silverboard stated that it is inefficient to be shoving it into a rear loader. It is more efficient to have a grapple truck. We will keep that rear loader until we have to replace another truck. Commissioner Collins clarified that we would not be getting rid of a truck, but adding to the fleet for one year. Mr. Silverboard stated that we could be saving money. We run our commercial routes using rear loaders. If we have one of our trucks go down we need a backup.

Commissioner Bildz asked about garbage. He went over the numbers and stated that we could reduce the increase from 6% to nothing. He would like to see no garbage increase. Mr. Silverboard gave an explanation of the estimated sources of cash and the expenses. Expenses are about \$100,000 more than revenue. Since we have a reduction of \$37,910 we will be using \$60,110 out of fund balance, which will be reducing our cash balance to \$351,156. Mr. Silverboard asked if they still planned to increase the recycling. He stated that they are not making their revenues and our expenditures equal. We want a reasonable fund balance. That is around 25%, which is three months' worth of operational costs, which is the bare minimum that we should have. Commissioner Bildz stated that gas was going down. Mr. Silverboard stated that if we have one incident we will have a problem.

Commissioner Collins stated that he agrees with the City Manager. Commissioner Bildz clarified that if we take the \$38,000 out we can take the 6% increase and make it a 3 ½ % increase and pass a budget that is exactly what Mr. Silverboard proposed. We will match the reduction in taking that employee out. Commissioner Bildz stated that if we keep the cash balance \$390,000 that will be sufficient. Mr. Silverboard stated that he isn't happy because he doesn't think this will be enough if we have an emergency event.

Commissioner Bildz stated that he would not like higher than 3%, but agrees with what the City Manager is saying. Commissioner Gayton stated that they should go with 5% as the City Manager recommends. There will be a 5% increase in refuse and a 5% increase in recycling.

Commissioner Bildz asked if there was any way around the 5% increase in Water Pollution Control. Mr. Silverboard stated that there was not. He is thankful that that is all it was. That is the one area that we have the most potential cost basis, and there is nothing we can do about it. If he could sell our sewer system he would do it. It would be too expensive to lay the three miles of pipe that we would have to lay. Commissioner Bildz stated that they would be looking into the pipe as opposed to a new force main.

Commissioner Gayton stated that when they discussed the proposals from the Sheriff's office they decided that they didn't want to break up the Police Department. He asked Chief Casey to try to cut his overall budget. He found the overtime budget an eye-opener. We have officers putting in over 500 hours of overtime a year. He also doesn't understand why we have a full time training officer. If he could give them a 2% decrease rather than a 1.3% increase he would feel more comfortable. They have five take home vehicles, and an officer doing training 3 or 4 days a week. Chief Casey explained that the training officer coordinates all of the high liability training, which is mandatory. In addition to coordinating that each sworn member has what they are required to have, he is also the instructor for most of it. Setting aside the training for a moment, he is also a patrol sergeant. He is also now assigned to re-write the department manual, which is a very extensive document. He is rewriting it to the State of Florida Accreditation standard. In addition to those duties, part of his agreement is that he covers all of the patrol sergeant scheduled time off. When he covers their shifts it is not under overtime. He carries three sets of duties. In order to coordinate training he is our representative to SEPSI, he represents us, and coordinates any required high liability training. This training reduces the opportunity for legal action against the city. The areas that he trains in are the most sensitive and most exposed. The rewriting of the manual is not a task that the junior officers can undertake. Each policy takes days or weeks to develop and then has to be verified and double checked. With regard to the take home cars, they are him, the administrative sergeant, the two detectives, and the canine officer. The canine officer has to have a take home vehicle. The vehicle must be equipped in a certain manner for the safety of the dog. That officer is subject to calls, and under mutual aid he is available to other communities. This dog is a narcotics dog. In terms of the two detectives, they are on call every other week. The frequency that they are called out is significant, and they are called out from their residence at all hours of the day and night, and never know where they are going to be responding to. It is efficient for them to have them, and the cars are equipped with what they need to perform their duties. Their vehicle is an office on wheels. They are frequently called out in pairs. They are the specialists. They are the ones who take the investigation to the next level. When they are called in to an investigation they own it and take it to its conclusion.

They talked about the number of hours that the officers are receiving, particularly in October 2007. We spoke last week about if we were to lose two officers as a result of replacing a detective with the Sheriff's department. You are seeing the impact of two officers down and what it does to overtime. The 06-07 report represents a fiscal year when we were down two officers. They go through a 16 week training and can not work independently. If you look at the same category today, you will see significant decreases in the amount of overtime used category for category. In a department with 100 officers you would not see this. In a department of 19 you will see it. There is no control over court. You will see overtime for sick, which means they covered a shift when someone called off sick. If officers are attending training then someone has to cover their shift. The officer with the 500 hours is

very proficient in DUI arrests, and is very successful at removing those people from our streets. He spends a lot of time in court.

Commissioner Gayton stated that he doesn't need more specifics. He is just stating that the Police Department is a significant expense to the city. He assumes that the Chief was unable to cut any expenses. Chief Casey stated that he met with his management team. The estimated overtime is based on a three year average. There have been some changes. There is no longer a night court. We have proposed changes that we have made internally. We will be using our Administrative Assistant to assist us to call on every case to determine if we can prevent officers from going to court. We are conservatively estimating that we can cut about 60 hours, or approximately \$2100. We will try to reduce the time spent on reports by 50%. Officers are required to have them completed prior to leaving for their days off. We are going to change how we do things. It will have the officer off the street a little more, but they will get the reports done.

We are going to reduce our training by several hours. He is proposing that they reduce the budget approximately \$65,000. He is asking that they not cut it up front, but meet with him about it.

He let Commissioner Bildz know that the new cage is already being built, and if the officer is going to be inside for 20 minutes or more he will bring the dog inside.

In our current fiscal year we are right on time with our overtime. You have our assurance that we will follow through with what we just proposed. Commissioner Gayton stated that it was a cut of \$28,000 and he appreciates that. The Commission has no control over how he spends the money and staffs the department, but they can make recommendations to the City Manager to try and reduce the budget. It is the City Manager's responsibility, not theirs.

Commissioner Bildz asked about the difference for special detail overtime agency hours, and special detail over time hours that are reimbursed. Chief Casey stated that one was the overtime that the city is responsible, and one for an officer to attend special events. Commissioner Bildz stated that a lot of these line items are going to come up close to the same numbers he had in 05-06. Chief Casey stated that absent a storm or some other emergency they will not come close to the overtime hours used in 06-07.

Commissioner Minning stated that he had met with the Paradise Island Civic Association Board members. He asked what they thought the resident support would be for Police, Fire, Library, and Marine Patrol. He had strong support for Police, Fire, and the Library, but no strong support for Marine Patrol. Commissioner Gayton stated that one of the problems was having an officer that spent time 20 hours a week, and when he goes back into the Police Department, we should reduce that budget by 20 hours. Do we want a Marine Patrol officer for \$26,000 per year? He says yes, because we are not reaping any benefit for putting him back in the office. Commissioner Minning stated that \$26,000 was \$26,000, and the boat will likely cost a lot of money next year. Commissioner Gayton stated that if they were going to be reducing staff would they still want to get rid of the Marine Patrol. He stated that he knows that they have to look at the benefits. Commissioner Collins suggested that they come up with a compromise. He feels that it is worth doing away with the boat for that kind of money. If we are not reducing staff is it worth giving that up. He agrees with Commissioner Gayton and the city should save the \$26,000. If a police officer leaves our force we should definitely do away with Marine Patrol. Commissioner Gayton stated that he

has no problem dissolving the Marine Patrol. It should be up to the City Manager to tell the Chief to reduce his budget by the same amount of dollars. His budget should be reduced by the amount that we are paying the Marine Patrol. We are putting an officer back on patrol, but not removing the equivalent from the budget. They are adding 960 hours a year to the police department. They should be able to take away time and a half from the other officers who are covering for those who are out. That person coming in should reduce the hours of the other people. He has no problem with doing away with the Marine Patrol. Commissioner Bildz stated that they have speeding on Blind Pass and boats at Caddy's. We need the Marine Patrol, and \$26,000 is not a lot to pay for it. Commissioner Minning asked if they could have a response on Commissioner Gayton's suggestion that overtime could be reduced. In terms of overtime, the officer that works Marine Patrol is assigned to the day shift. He also has vacation. There would not be a significant reduction in overtime. They are assigned to particular squads. It would have some affect on the overtime, but not a substantial effect. Commissioner Minning asked if it would be a one for one reduction. Chief Casey stated that it would not. Commissioner Minning clarified that the net effect could be an increase in staff by two days per week. Chief Casey explained that he works four ten hour days, two of which are on the boat. Commissioner Minning stated that he would like to see if there is additional money that can be saved. Mayor Maloof stated that she has mixed emotions about letting go of the Marine Patrol. We have Blind Pass. It is a security to have someone out on the water. Commissioner Gayton stated that he wondered if thefts would increase once the word got out that Treasure Island no longer has a Marine Patrol. Commissioner Bildz stated that for \$26,000 it isn't worth dealing with what we would have to do. Commissioner Collins stated that we are not gaining or losing an officer. If we lose a police officer we should consider moving the Marine Patrol officer back on patrol. Chief Casey stated that we have a lot of tourists that don't know what they are doing. The officer prevents them from driving into areas that they shouldn't. This is where the Marine Patrol earns its money. They do safety inspections, and get people where they belong. The Marine Patrol does so much that you never hear about. It is the other things that they do that is where the real impact of the boat is. Commissioner Collins stated that he feels that people will call the Coast Guard first. Chief Casey explained that the Coast Guard frequently calls us because the Coast Guard is not in the area. Fire Chief Fant explained that the Coast Guard is not responding as rapidly as they think. Commissioner Gayton stated that he would go with the wishes of the Commission. It was decided to keep the Marine Patrol in the budget.

Commissioner Collins suggested that they discuss the library at this time. Commissioner Bildz stated that most people have computers and don't use it. If someone didn't have a computer they might purchase one membership for \$100 for a family. Every family member has a card now. He feels the numbers are skewed. He feels that it is an easy savings.

Commissioner Collins stated that he has used the library extensively over the past 25 or 30 years. As much as he likes it he is looking at the savings of \$107,000 and the difference in the millage rate. He would like to have the luxury of the library but doesn't know that we can afford it at this time. Is it a safe assumption that if we pull out the library will fold? Mr. Silverboard stated that we are 25-30% of their budget.

Commissioner Bildz stated that there are many branch libraries. Everyone is cutting back.

Commissioner Collins asked how it would work and whether people could use any library if they purchased a card. Mr. Silverboard answered in the affirmative. Commissioner Collins stated that he is not in favor of spending the money at this time.

Commissioner Gayton stated that you have to swipe a card to take out a book, and wondered why we can't get the number of Treasure Island residents using the library from the library. Mr. Silverboard stated that he has asked and has been told that it is a privacy issue and is unavailable. Part of the problem is that they are not keeping statistics on the number of people walking in the door or using their computers. Mayor Maloof stated that she thinks that the City of Madeira Beach owns the building. Mayor Maloof said that she doesn't know if they can cut back hours or personnel if we do this. A lot of our residents will be upset. It is a tough call.

Mr. Silverboard stated that he feels that the Commission has made sufficient cuts in the General Fund that they could go back to the roll back rate without cutting the library. It would add a nominal amount to reserves. Commissioner Gayton stated that he is not satisfied with going back to the roll back rate. Mr. Silverboard stated that they would have to cut an additional \$432,000. Commissioner Bildz stated that the homesteaded properties would stay the same. The rental properties would get the increase. Mr. Silverboard stated that it would not be 17%. Commissioner Minning stated that the newspaper did us a disservice. Mr. Silverboard stated that the percentage of increase was only the difference between two numbers. It has nothing to do with the amount of property taxes. Commissioner Minning stated that the taxable value for this year is 10% less. That results in almost 194,000,000 in property values. The owners have a lower appraised value, so the same millage would give them a lower tax. A brief discussion regarding the millage rates ensued. Commissioner Gayton stated that the taxpayers voted for lower taxes when they voted for Amendment 1. He feels it is their responsibility to cut the budget.

The meeting was recessed at 6:00. The meeting reconvened at 6:10 p.m.

Mayor Maloof asked if they had to set a millage rate tonight. Mr. Silverboard stated that they were scheduled to set a tentative millage rate. They can set a rate, and always go down. The problem would be going higher.

Commissioner Gayton read an e-mail from a constituent. The resident felt that they were being slapped in the face with tax increases when they voted for Amendment 1. He wants to stay at the present rate, and says that the roll back rate is an increase. If we keep our millage rate the same and collect at 97% the amount collected is \$3,850,224. Commissioner Gayton went over some suggested cuts that he came up with. He requested to set a tentative millage rate at something between 2.3878 and 2.7989. Commissioner Collins stated that they should set the rate and come back and look at things again. Commissioner Minning stated that they should be careful about selling the Causeway House. He also explained that they should use caution setting the rate this year, because it would become the rollback rate next year. He would like to be on a solid footing this year. He agreed that they should set the rate tonight and go back and take another look.

Mr. Silverboard explained that selling the Causeway House does not address the problem. If they do not exercise caution they are going to have significant financial issues. Commissioner Gayton asked what the issue is. He will have a year to decrease the budget for next year. He stated that it would be Mr. Silverboard's responsibility. Mr. Silverboard

stated that it is the Commission's responsibility to set the level of service that they want to provide. It is his responsibility to present a prudent budget. He feels that they can safely go back to the roll back rate. It is not an increase in taxes for the residents. We will be collecting \$62,000 more in taxes because of new construction, but it is the same exact rate as last year because of the decrease in assessed values. There is a 17% difference in the two numbers, but it is not an increase in tax dollars. Commissioner Gayton stated that we are wiping out what Amendment 1 was designed for. It was designed to give people a tax break. We are collecting more in ad valorem taxes. Mr. Silverboard stated that it is only because of new construction. Commissioner Gayton stated that people should get the tax break. The City got all the extra money when the property values were going up. Mr. Silverboard explained that the city is the services that people get, and the events. Mayor Maloof stated that people want services and events. They want a sense of community. Treasure Island has always been responsible with their citizens' tax dollars. Commissioner Gayton stated that we are making cuts and still increasing ad valorem taxes, and he will not vote for a 17% or even a 14% increase. Commissioner Minning stated that with the increase in gas, oil, and electric alone it is an increase in approximately \$150,000. The staff has done a good job with this budget. It is the Commission's responsibility to set the millage rate and determine the revenues that the city is going to have to operate with. We will have to come back and take deeper look at this. The residents need to understand that the costs to provide the services that they want are going up. Commissioner Collins stated that he has another solution to this issue. Part time employees are non-essential employees in his opinion. Is there not a way to cut that back? Mr. Turner explained that in Treasure Island part time help is essential. It is a way to retain more economical employees. Commissioner Bildz stated that Commissioner Gayton made a good point that they have to chip away at the \$617,000. \$107,000 for the library is a large amount. He doesn't know how the Police Department could cut back more. Maybe the employees should get a smaller increase. Commissioner Collins stated that the Commission does not do this for the money, and none of them need it. He suggested that they cut the Commission salary out totally. Mr. Silverboard stated that the Commission has expenses that that money is meant to offset, and it probably doesn't even cover expenses.

Commissioner Gayton suggested that they set the tentative millage rate and come back for another meeting to look at the budget again.

III. SETTING THE TENTATIVE MILLAGE RATE

Mr. Silverboard stated that with the cuts that have been made the Commission can set the tentative millage rate at the roll back rate of 2.7327.

It was moved by Commissioner Bildz and seconded by Commissioner Collins to set the tentative millage rate at 2.7327. Upon roll call the vote to approve was 4-1 with Commissioner Gayton being the dissenting vote.

Mr. Silverboard stated that they need to prepare a budget for the public hearing. There are fee increases that they have to put on for consideration at the next meeting. We have to have them passed to notify the Department of Revenue by September 1st. They will be on there for next week. He will be preparing the budget for the public hearing. It is his understanding that the library is still in. If you remove the library, the amount is the .0671 mil. He will ask Jan Horah for usage data and tell her that it is vital that she gives us something.

VII. ADJOURNMENT

The meeting was adjourned at 7:03 p.m. by Mayor Maloof.

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