

**CITY OF TREASURE ISLAND, FLORIDA  
BOARD OF COMMISSIONERS MEETING MINUTES  
August 19, 2008**

The meeting was called to order at 6:00 p.m. by Mayor Maloof.

**A. PLEDGE OF ALLEGIANCE:** Led by Mayor Maloof

**B. 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

Mayor Maloof made a presentation of a proclamation and piece of Elnor Island driftwood to Michelle and Greg MacIntyre of Nature Matters to thank them for their participation in the Elnor Island clean ups. Ms. MacIntyre thanked the community for their work in keeping Treasure Island beautiful.

**C. PUBLIC COMMENTS:**

None

**D. APPROVAL OF MINUTES:**

The minutes of the August 5, 2008 meeting are available for approval. It was moved by Commissioner Bildz and seconded by Commissioner Minning to approve the minutes as printed. Upon roll call the vote to approve was unanimous.

**E. ITEMS OF BUSINESS**

1. Consideration of Res. 08-65, Adjustment to Annual Audit Charges

It was moved by Commissioner Bildz and seconded by Commissioner Minning to approve the resolution as read.

Commissioner Gayton gave a chronological report of when various pieces of correspondence and reports were received by the Commission. In July, after the reports were passed, the Commission received an invoice for an audit fee adjustment. The invoice was for work done after the audit was completed. He asked the auditors for an explanation of why they did additional work after the audit was completed. He has concerns about the dates on the reports and the invoice. He asked which was correct – the reports, or the invoice.

Jeannine Bittenger, Senior Audit Manager for Davidson, Jamison and Cristini explained that the date on the invoice was correct. The date on the reports was incorrect. That was the date that they had planned to submit the report. Because of the software conversion issue they were unable to complete the report until the end of May.

Commissioner Gayton asked if they should change the dates on the reports to reflect the correct dates. Ms. Bittenger agreed to do so.

Commissioner Gayton asked for an explanation of a \$5,000 charge on the invoice. Ms. Bittenger explained that it was for extra assistance that they gave for the preparation of the CAFR. That is normally done by the City.

Commissioner Gayton asked if the financial report should have included a statement explaining the problems with the software conversion. Ms. Bittenger stated that since the problems were resolved there was no reason to reference them in the report.

Commissioner Collins asked if the software company had any liability for the extra costs. Mr. Silverboard explained that the software company may have had something to do with it, but that the majority of it was our problem.

Commissioner Bildz asked to go over the timeline again. Mr. Silverboard explained that the March 25<sup>th</sup> date in the letter was an error and a new letter will be issued to correct the date.

Commissioner Gayton stated that this audit is the responsibility of the City Commission. Normally when the auditor runs into a problem, don't they notify the Commission of the problem, and that they are changing balances? Who is auditing whom? The job of the auditor is to check the work of the Finance Department. If they find a significant amount of errors shouldn't they notify the Commission? Ms. Bittenger stated that they had communicated with the City Manager, and the Finance Director was well aware of the problems. If the problems were inexplicable they would have reported to the Commission. We understood the problem, and there was no malfeasance. Commissioner Bildz asked why they didn't notify the Commission that they would be having an additional invoice when they were here in June. Ms. Bittenger apologized and stated that they didn't have the final figures at that time. Commissioner Gayton stated that they sent the City the letter on June 13<sup>th</sup>, and they were at the meeting on June 17<sup>th</sup>, but they didn't mention it, and should have.

Upon roll call the vote to approve was unanimous.

2. Consideration of Ord. 08-06, Sunset Beach Swim Zone (1<sup>st</sup> Reading)

It was moved by Commissioner Bildz and seconded by Commissioner Minning to approve the ordinance as read. Upon roll call the vote to approve was unanimous.

Commissioner Bildz stated that he likes this ordinance. The only question that he has is in reference to non-motorized vessels. He expressed concern about Hobie Cat sailboats being included in the exclusions in the swim zone. They go pretty fast.

Nick Lang spoke representing the Land's End Community Association. He has spoken with Commissioner Bildz about this matter. He asked for an addition to the ordinance. It appears that this matter was proposed back in July involving a swim zone all the way down to the Blind Pass jetty. At that time the Land's End Association recognized the concern of the Commission and home owners, including the Caddy's operation and had no objection, but they were alarmed last week to learn of the most recent change where the condition for idle speed was restored in the Land's End beach area. They don't

oppose what the Commission is seeking, but they are looking for what they feel is a consideration for this community to receive some of the same considerations as others north of them. They have begun to see more boaters in the area of their beach. That is going to increase considerably with these changes. People are going to be looking for places to pull their boats in. They are looking to move the language in section four to section one, which would provide for a swim zone, as any other swim zone, and not like the Caddy's swim zone. They would like the same consideration that the homeowners to the north of Caddy's have received. They got caught by surprise. This will become a problem, and they would like it to be addressed. They are concerned about trash, the possible disruption by boaters of the swimmers, and they have concerns with enforcement. They are looking for some consideration on how this can be more evenly handled and feel that there is some discrimination in the area.

Drs. Claudia and Ladd Kulhanic spoke regarding the swim zone. They have been owners of a home in Land's End since 1987. They are residents of Chicago, but come here to visit and follow the laws here. They expressed concern with the safety of swimmers due to the boaters in the area. She would like the 300 yard swim zone to be uniform in the area for the safety of everyone. Dr. Ladd Kulhanic expressed concern about rip currents. He stated that there are visitors and renters that might not know the rules of the area and could get hurt. He stated that it would be easy for people having parties to have someone looking out for police officers. He doesn't feel that it is good to have alcohol in that area. He feels that boaters should have easy access to Caddy's to enjoy their facilities there. There are no public facilities at Land's End. Boaters on the beach would leave extra trash.

Kevin Johnson stated that he walks the beach six or seven nights a week. He sees dogs on the beach, which is a \$75 fine. He commented that four people turned right at the red light at West Gulf Blvd. He commented on how much the fines would have been. People are not stopping at the crosswalk. He asked who is going to watch the swim area when these incidents are not being enforced. If they pass this ordinance nobody will watch the boaters.

Ms. Kiefer has spoken with Mr. Lang. They are requesting to extend the swim zone to the end. They would make a motion to amend the ordinance and vote on it tonight. She expressed concern about making a substantial change. She suggested that they either come back another time after readvertising, or come back another time and workshop the changes. Commissioner Bildz stated that he would like to see this pass because it solves the problems that they have in front of Caddy's. There is something in there to look at it again in March of 2009. He suggested that they look at the Land's End area at that time. It is already idle speed no wake, and he doesn't feel that they will get a lot more boats down there.

Commissioner Minning asked if anyone had checked the water depth behind Caddy's. Commissioner Bildz stated that at 150 feet it was about five feet deep. If the swim zone was moved to 125 feet the swimmers would still be safe.

Mayor Maloof clarified that it was the intent to pass this as is, and if there were problems they would address them later. Commissioner Bildz stated that he is still concerned with the sailboats over 20 feet. Mr. Silverboard stated that they were included because there are sailboards. He has looked at Hobie Cats, and they are eighteen feet at the longest. He didn't think that it was the Commission's intent that boaters couldn't use sailboards in

the area. Some of the reason not to use the twelve foot limit was in addition to the kayaks; some of the old style surf boards exceed twelve feet. Commissioner Bildz stated that it was his understanding that it would not apply to skim boards, canoes, kayaks, surf boards and sail powered vessels under twenty feet. He talked to one person that owns a Hobie Cat on Sunset Beach. They would rather see the swim zone than have the Hobie Cats allowed. He stated that he would like to amend it but wasn't sure how. His only concern was the sail vessels. Mr. Silverboard suggested that the wording be changed to exclude sail powered vessels from the allowed vessels. Commissioner Minning stated that he had also talked to a Hobie Cat owner. They come in and leave perpendicular to the shore and do not sail in the swim zones. He would not want to deny them access to the shore. Mr. Silverboard suggested that the language read "sail powered vessels under 20 feet may ingress and egress the beach perpendicular to the shoreline." It was moved by Commissioner Bildz and seconded by Commissioner Minning to amend the ordinance adding the suggested language. Upon roll call, the vote to amend was unanimous. Upon roll call, the vote to approve the ordinance as amended was unanimous. The ordinance will move forward to second reading and public hearing on September 3, 2008.

3. Consideration of Ord. 08-08, Adjustment to Public Services (Utility) Tax (1<sup>st</sup> Reading)

It was moved by Commissioner Minning and seconded by Commissioner Collins to approve the ordinance as read.

Commissioner Gayton stated that he will not be supporting this ordinance. We are already paying enough in taxes, and this will hurt the businesses in town. They shouldn't be doing anything to hurt the local businesses. There are other alternates to this. We have a non-performing asset in our causeway house. The purpose was to house the engineers during the day. It is just sitting there deteriorating. This year in our budget for expenditures we have \$280,000 in expenditures for the causeway. When we bought the house we said that as soon as the bridge was completed we were going to sell the house and use the funds for the expenditures of the causeway. It has a just market value of \$347,000, and we have a request to increase utility rates. Do you want to sell the house and pay for the expense of the causeway, or increase the tax on the residents? He is not in favor of increasing taxes of any kind. The County has already told us that they are going to be increasing their rates by 3%. Progress Energy is going to be raising their rates by 30 or 40%. He sees empty houses and businesses closing. He sees no reason to add more of a burden. He doesn't see any reason to increase taxes to have a fund balance of higher than 15%. He will not be voting for this tax increase.

Mayor Maloof stated that in looking at some of the other cities, they have been charging the full amount. She thinks that we need to look at whatever is possible in helping us out in the general fund, especially going into next year. She attended the League of Cities, and went to a workshop where three legislators were on the program. The state is looking at possibly a two billion dollar deficit next year. She would like to help businesses out as much as possible, but she isn't sure that that percentage of tax increase will cause them to leave the community. There are other factors that go into that.

Commissioner Bildz stated that water and electric were necessities. We can say this is a tax on utilities, but this is like an ad valorem tax. Why should we have to go to the limit? He doesn't think he will support this either.

Mr. Silverboard stated that he did a projection and gave a copy to each Commissioner based on keeping the current millage rate and not doing either increase proposed tonight. That leaves the City with a deficit of \$778,000. We expect our fund balance to be at 1.367 million on September 30<sup>th</sup>. On October 1<sup>st</sup> it would be reduced to \$558,000. Assuming that the Commission agreed to sell the house and use that one time revenue, and we got \$400,000 for it we would still be taking \$378,000 out of fund balance, and the following year we would be in the hole the additional \$400,000 as it is a one time revenue. If we keep the same tax rate and don't raise these taxes we would need somewhere in the neighborhood of \$800,000, and we would only have \$558,000 in the fund balance. The reason that these increases are being proposed is to stabilize our fund balance. We have not put aside any money, and we will not have a fund balance if something happens for renewal or replacement of that bridge. What he is proposal will hopefully ensure that there will be some money there in the future. We were fortunate to get the grants to build the bridges. The purpose of these two increases is to stabilize the fund balance and to ensure that the fund balance for a longer term view will be sufficient to meet our needs.

Commissioner Minning stated that he agrees that it is prudent to look into selling the causeway house. Whether that is now or in the future is yet to be determined. Upon the sale of that he feels that it is incumbent on the city to put that money in a reserve account to defer expenses. He doesn't feel that it is sound business to use the money as a one time shot to reduce expenses. If you look at all the cities in the county that are full service cities, Treasure Island has the lowest tax rate. All those cities have the maximum rates allowed on these items. If you look at the total tax rates, Treasure Island still comes out as the most favorable location. If it takes a little more to pay for the lifestyle and the services that we provide our citizens he is willing to pay it. If you divide the cost by the taxable parcels it comes out to an increase of nine cents per day, or \$32.22 per parcel per year. The people that he has talked to say that they can afford the nine cents per day.

Mayor Maloof stated that this city does not pay into the PSTA, and if you are living in a \$500,000 piece of property, that would cost you an additional \$500 per year on your county tax. At some point we are going to have to look at the issue of PSTA, but that time is not now. At the present time we are paying for the trolley service on the beach out of our general fund. If that were added on to the tax bill to the county tax bill it would be a very large chunk to add to that.

Commissioner Collins stated that with regards to Commissioner Gayton's statement regarding the house, assuming we got lucky and sold it in three months, that problem goes away for one year and we have to revisit it every year, and that is assuming that the house sells. We are just putting it off, not solving the problem. He and Mayor Maloof agreed that if the house was sold the money should be put in reserves. Commissioner Bildz stated that he would rather put this off for one year. Right now is not the time for a tax increase, but he would rather wait until next year. Mayor Maloof stated that she felt that next year was going to be worse. Commissioner Bildz stated that the only way he would be in favor of joining the PSTA would be if the County took over the bridge and all of Central Avenue into town and they took over the cost of the

bridge. He discusses that issue every time he has an opportunity to speak with a legislator. Mayor Maloof stated that she would like to see a traffic count on the bridge. She didn't think we would get big trucks, but there are huge trucks traveling on that road. Commissioner Gayton stated that \$250,000 is not maintenance on the causeway, it is strictly operating expenses. Since 2002 when our ad valorem taxes were \$2 million, and now in 2008 they are 4.8 million. We are not talking about reducing expenditures. 4% is not going to close businesses, but it is part of the cumulative increases that are hurting businesses.

Upon roll call the vote to approve was 3-2 with Commissioners Gayton and Bildz being the dissenting votes.

4. Consideration of Ord. 08-09, Adjustment to the Communications Services Tax (1<sup>st</sup> Reading)

It was moved by Commissioner Minning and seconded by Commissioner Collins to approve the ordinance as read.

Commissioner Bildz stated that he was going to support this because people could choose to cancel these services, but now that the utilities tax passed he is not going to support it.

Mayor Maloof stated that she does consider this essential. The City could face bankruptcy, or the citizens could lose the services that they value. She knows from looking at the cuts that they have made over the years trying to save money for our residents; little by little we have whittled it down to bare bones. There are very few places that we can cut unless we start cutting the services that everybody values.

Commissioner Minning stated that we will have another shot at this tomorrow afternoon to see if we can cut expenses. He tried to quantify how the ad valorem taxes and revenues have increased due to increased property values, and how we have lost revenues from the toll bridge. He tried to see if it came out favorably, or less. The preliminary numbers are pretty close to a wash. He will have more refinement on that tomorrow. If you consider those two sources of revenues as a wash, and consider the increase in cost that it takes to run the city, and take a look at the budget as it exists now, there has been a reasonable effort to hold taxes and expenses down and to increase only where needed to run the city. We are no different than our neighbors, but if you look at our neighboring communities, again we are the lowest. When he divided it out, this increase was about six cents per day. Commissioner Gayton stated again that he will not be supporting this. Commissioner Minning stated that at this point if we have to cut more we will be cutting into the muscle. Commissioner Bildz stated that this is the wrong time to raise taxes. We can look at this in the future, but now is the wrong time.

Upon roll call the vote to approve was 3-2 with Commissioners Gayton and Bildz being the dissenting votes.

5. Motion to Accept a Donation From a Citizen to the Treasure Bay Golf & Tennis Center

It was moved by Commissioner Bildz and seconded by Commissioner Minning to approve the motion as read. Upon roll call the vote to approve was unanimous.

## 6. Consideration of Res. 08-78, Annual Board and Committee Appointments

It was moved by Commissioner Bildz and seconded by Commissioner Gayton to approve the resolution as read.

Mayor Maloof commented that the City Manager had suggested that we reduce the size of some of these boards. We have vacancies and no applications.

Upon roll call the vote to approve was unanimous.

At this time Resolution 08-85, which terminated the State of Emergency was presented. It was moved by Commissioner Bildz and seconded by Commissioner Minning to approve the resolution as read. Upon roll call the vote to approve was unanimous.

## **G. ADJOURNMENT**

The meeting was adjourned by Mayor Maloof at 7:25 p.m.