

n
CITY OF TREASURE ISLAND, FLORIDA
BOARD OF COMMISSIONERS
SPECIAL MEETING ON PROPOSED FY 2008-09 BUDGET
July 20, 2009

The workshop was called to order at 1:07 p.m. by Mayor Minning.

I. ROLL CALL

Mayor Robert Minning		Present
Commissioner Phil Collins Vice Mayor	District 1	Present
Commissioner Ed Gayton	District 2	Present
Commissioner Carol Coward	District 3	Present
Commissioner Alan Bildz	District 4	Present

II. OVERVIEW OF BUDGET

III. REVIEW OF DEPARTMENTS:

1. General Fund
2. Special Revenue Funds

County Gas Tax Fund:

Mr. Silverboard stated that the estimated revenue is \$70,000 plus approximately \$2,000 in interest. The estimate is using the current year as we have not gotten anything from the County. We are proposing to transfer \$72,000 to the general fund to cover improvements. In addition we are proposing to budget \$35,000 to upgrade computers at the bridge.

Commissioner Bildz stated that the fund balance reconciliation is wrong. He gave an explanation of his calculations. Mr. Silverboard made a correction to the formula. He corrected the balance to \$133,494.

Commissioner Coward asked about the \$35,000 for the bridge control system. She asked if it was going to be an ongoing cost or a one time cost. Mr. Murphy explained that it would be a one time cost, but he anticipated that the interface would need to be upgraded about every five years. Commissioner Coward asked if there were any plans to set aside funds every year so that there would be a reserve to handle the upgrades. Mr. Silverboard stated that there were not. Commissioner Coward asked if we could do so. Mr. Silverboard stated that there were dozens of projects that we could be doing that with, and we don't do that. We use fund balance. We schedule these projects in, but don't set aside funds for them each year. We don't have the revenues to do so.

Commissioner Gayton asked if there was any reason why we are taking the \$35,000 out of the County Gas Tax fund and not the Transportation Trust fund. Mr. Silverboard explained that the Transportation fund is for projects that increase capacity of the roadway. This project does not do so. Commissioner Gayton asked if it could be done. Mr. Silverboard stated that it would not be appropriate.

Mayor Minning asked for clarification why the computers needed to be upgraded. Mr. Murphy stated that it was driven by the hardware, and the hardware reaches the end of its life about every five years. When the servers are replaced the software must be reinstalled and validated on the new hardware. That also includes technician time.

Mayor Minning asked if it would have to be done every three to five years. Mr. Murphy stated that it was driven by the life expectancy of the hardware. Commissioner Gayton asked who told us that the life expectancy is only 5 years. Mr. Bruce stated that the Engineers, EC Driver, gave us the information.

Mr. Santos explained that there are two computers that are server based that provide the human interface to these systems. There is one system with a mirror system as a backup. We have had individual ongoing component failures in each of these systems. They are server based, and have a life span of five years. Mayor Minning asked if this was a recommendation of the engineers. Mr. Santos stated that they recommended that we have a regular replacement plan in place so that we can address equipment failure issues. Mr. Santos stated that he felt it would be prudent to have this in the budget.

Commissioner Collins stated that he was concerned about this coming up every five years, and asked if there is an alternative to this type of equipment. He asked if this was a precautionary measure to avoid being left stranded in the future. Mr. Santos stated that it would be replaced next year as a safety aspect. Commissioner Collins asked if we could refurbish the equipment that was being removed and kept as a spare. Mr. Santos stated that the \$35,000 wasn't just for the server. It also included software and the technicians that would handle it. In five years the hardware that we have may not handle the software updates that come along. This is control software which manipulates the controllers that make the bridge work. The lifespan of that type of equipment is about 5 years. The Engineers recommend replacing them in 5 years. We know that one of them has failed more than the other, so experience will tell us which should be replaced first, and how long we should go before replacement. Commissioner Collins asked if we could do anything with what we are taking out. Mr. Santos explained that they have to be mirrored systems, so would have to replace both. We couldn't sell the software due to licensing. The hardware is usually not able to be sold for much because new hardware is so much more advanced at that point.

Commissioner Gayton asked if there will be other equipment that will need to be replaced. Mr. Santos stated that he only handles the computer systems. Mr. Bruce gave an explanation of the system that is there. They have spare modules that they are able to replace failing equipment with. The lifespan of the Sieman's computers are about 20 years. Mr. Silverboard asked if there were major components that need a major overhaul on a regular basis. Mr. Bruce gave a brief list of the types of repairs that would have to be done as needed. There is nothing else to be done on a regularly scheduled basis.

Transportation Trust Fund:

Mr. Silverboard stated that they are proposing two things in this budget. They are proposing a traffic warrant study at 108th and 107th, and to transfer \$50,000 to the LOISS fund to help offset the cost of installing a traffic signal at 104th. We are hoping that the state will pay the entire cost of this, but he doesn't think that will happen anytime soon. They are going to ask Publix to pay for up to half of the cost of the signal.

Commissioner Gayton asked if Mr. Silverboard felt it was wise to do the traffic warrant study before the downtown redevelopment was done. Mr. Silverboard stated that the physical construction of the downtown would take place over the next 10-30 years. Commissioner Gayton stated that he didn't think it was wise to do so before the document was completed. Mr. Silverboard stated that he didn't think there would be a design for an intersection in the document. Mr. Murphy stated that there is an intersection that routes traffic both to the north and the south. 104th and 108th are truck routes. We also have pedestrian traffic at that intersection. It is his opinion that from a safety standpoint they should take a look at that intersection. Commissioners Gayton and Collins stated that those intersections have been looked at several times. Mr.

Silverboard stated that it is a dangerous intersection because of the angle that those roads meet. Commissioner Collins stated that as of a few months ago there have been no accidents there. Mr. Silverboard stated that it is a tough intersection.

Commissioner Gayton asked Mr. Silverboard to change the \$50,000 transfer from going to Capital Projects to going to LOISS.

3. Enterprise Funds:

Water Pollution Control:

Mr. Murphy stated that staffing has not changed. The numbers need to be corrected. He gave an explanation of the changes that need to be made on the report. They have heard from St. Petersburg that there is going to be a 5% rate increase. They are expecting the State Revolving Loan funds this year, which will cover the lift station project. The additional revenues will be \$30,000 over what is shown on the report. The cash balance summary shows that we will be taking an estimated () from fund balance. The biggest capital challenges are the inspection of the lines, and the work on the force mains. Spending is down 11.9%. The biggest difference is in the contractual services area. The debt service for the revolving loan fund is not anticipated to start until mid July of 2010.

Commissioner Bildz asked what the proposed rate increase was. The built in increase is 5%. The pass through adjustment is 5.8%. Mr. Silverboard explained that it is only on one component of the rate. Commissioner Bildz asked if they could guess what the total increase on the bills would be. Mr. Silverboard explained that it would go up about 55 cents per month on the rate side for a single family, and about 32 cents on the pass through, for a total of about 87 cents per month.

Commissioner Bildz asked for an explanation of the rate increase. Mr. Murphy gave an explanation of how the surcharge works. Commissioner Bildz then asked about the allocation of Alcalde and Fay. Mr. Keranen gave an explanation of how that expense is allocated through the various funds. Commissioner Bildz asked for an explanation of the credit card fees. Mr. Keranen gave a brief explanation of those charges. He stated that it should be about \$2,000. Commissioner Coward asked why we should have so much in banking fees when we have so much money in the bank. Commissioner Collins asked if the \$2,000 was based on previous years. Mr. Keranen explained that it was different now that we have transferred the billing to Pinellas County.

Commissioner Coward asked for an explanation of how the administrative charges have been allocated. Mr. Keranen gave a brief explanation of the various costs that are shared by all programs in the city, such as administration, IT, and other charges. Commissioner Coward stated that since we are not doing the billing anymore, shouldn't we be looking at that allocation again? Mr. Keranen agreed that they should look at it. He stated that the customer service portion of that didn't go away, and they have an employee that spends about 80% of her time on utility billing.

Commissioner Gayton asked about the contingency and asked for clarification of the amount that was being proposed to be set aside for the St. Petersburg surcharge. He asked what the 25% was on. Mr. Silverboard explained that it was 25% of the wastewater charge. Mr. Murphy stated that it was on any strongly treated service. Mr. Silverboard stated that it was based on an average of what the total surcharge has been. Mr. Keranen stated that the billed surcharge has gone down a little bit. Commissioner Gayton asked for clarification on the proposed rate increases and what they are on. Mr. Silverboard explained that the 5% was already approved when they approved the rate study. The fund increases are built in for 3 years. They are for operating costs as well as

the capital costs for the needs of the wastewater system. They took into account the state revolving loan fund, and the amount that we knew had been approved from the feds. Commissioner Gayton stated that in 06-07 we had a 35% increase, 07-08 a 10% increase, and 08-09 an () increase. In 2011 we have \$500,000 for a force main inspection. We are doing everything we want to do as far as inspections. He agrees with the City Manager that the last thing we want to do is increase fees and rates in this economy. It is his recommendation that we give the residents a break and suspend this rate increase for one year. Mayor Minning asked what rate he was referring to. Commissioner Gayton stated that it was \$147,310. We would still have a fund balance of roughly $\frac{3}{4}$ of a million dollars. He could not support a rate increase today. Mr. Silverboard stated that the 5% has already been approved when they accepted the rate increase. The estimated fund balance at the end of this year will be \$1.4 million, and they will be using some of it to fund some of this budget. This will help the taxpayers in the long run. Improvements would make the system more efficient. We are not charging what is necessary to fund for the increase. We are not close to having what we should have for a fund balance. Commissioner Gayton stated that any outlay the staff wanted to do it, he could see where the City Manager is coming from. We will still be carrying a three quarters of a million fund balance. Mr. Silverboard stated that we should have a six month expenditures fund balance and he will not support it due to the large increases that we have had over the last three years.

Commissioner Collins asked for clarification about the 25% surcharge for the city of St. Petersburg. When we prevail on the lawsuit, can we put this money back into fund balance? Mr. Silverboard stated that we are not funding near what we need to. We are restricted as to how much we can do for projects. We are hoping that we do prevail because that will give us more money to help with the future needs.

Mr. Keranen explained that the state revolving loan fund was based on the projected estimates, and we applied for it based on the proposed 5% increase.

Commissioner Bildz asked about the \$518,000 for the force main to St. Pete and why we are paying more of a percentage of it than St. Pete Beach. Mr. Murphy explained that we own more of the line than they do. Commissioner Bildz asked if they have approved their portion of the cost yet. Mr. Murphy stated that they are in the same place in their budgeting that we are so he doesn't know.

Commissioner Coward stated that there isn't really a number in there for attorney fees and asked if we could provide that number. Mr. Silverboard stated that it is privileged information and she would need to get that from the City Attorney.

Commissioner Coward stated that while she understands where Commissioner Gayton is coming from, but she doesn't want to be stuck with infrastructure repairs that we don't have money for. Mr. Murphy stated that with this repair it should be good for approximately 50-60 years.

Commissioner Bildz asked to go over the rate increase again. He doesn't understand how it could be only .29 cents per gallon, or how it could be under \$12 per year. By his calculations he is seeing over an \$11 per month increase. Mr. Keranen explained the increase. Mayor Minning asked Mr. Silverboard to run through the breakdown of the increase. He gave a break out based on numbers of gallons of usage. He stated that they will do a calculation based on 10,000 gallons bi-monthly and give them an updated figure. Commissioner Gayton stated that he felt that was low. Mr. Silverboard stated that the average household here is a 2 person household. They will be given the figures tomorrow.

Solid Waste:

Mr. Murphy stated that the full time equivalent has gone down. They had a service worker retire and did not fill his position. He gave a brief explanation of the allocations. With regard to revenues the total operating budget is \$1,694,000, and non-operating expenses of \$221,000. Mr. Silverboard gave a brief explanation of the future increases and what they are for.

Commissioner Bildz asked if it would make more sense to buy the garbage truck outright instead of using debt service to purchase them. Mr. Silverboard stated that he would do whatever the Commission preferred. Mr. Silverboard stated that he would keep them updated on any grant funds they may receive.

Commissioner Coward stated that we should not be borrowing for purchases, and should pay for it outright if we have the money. She then asked about the amount for gas and oil. She feels that it is too high. She asked for information on the debt service for the clamshell truck to use to pick up large volumes of yard waste or furniture and appliance. We would use it to haul to the Pinellas County facility. Commissioner Coward asked if he had estimated what we would charge people and what the return would bring. Mr. Murphy stated that he has not. Commissioner Coward stated that it would save us in injuries and workers comp claims. Mr. Silverboard stated that many cities have gone to these types of trucks for those types of collections.

Commissioner Gayton asked what the cost of the clamshell truck was. Mr. Murphy stated that it is approximately \$111,000. Commissioner Gayton asked about the Peterbilt that is funded in this budget. If we were to finance it it would add \$220,000 to fund balance.

Commissioner Gayton asked if the county charges us for household chemical collection. Mr. Raus stated that it is done once a year and they do not charge us. The \$2,500 in the budget is for staffing and advertising. Commissioner Gayton then asked about the clamshell truck and what type of truck it was. Mr. Silverboard stated that it is a rear loader packer. Commissioner Gayton asked if we got the clamshell would we pick up the entire load. Mr. Murphy stated that we would have to pick up the volume similar to the packer. Everything that we pick up has to be disposed of and we are charged. Commissioner Gayton stated that they only pick up one hopper full and the rest sits there till the following week. If we are going to pay this cost will we pick it all up? Mr. Murphy explained that if we are going to pick up two loads then we will have to take a look at how that will impact our entire cost of operation. Commissioner Gayton stated that we pick it up anyway. Mr. Silverboard explained that there has to be some limit.

Commissioner Collins asked for clarification regarding what the clamshell apparatus does. Mr. Murphy explained that it is a flatbed truck with high sides. It looks similar to a dumpster with an apparatus on the back to pick up the waste and deposit into the vehicle. Commissioner Collins asked how often it would have to be emptied, as that could have an impact on the costs too. Mr. Silverboard stated that that was why they wanted to keep the same limits. Commissioner Collins asked if they could also fill a trailer with the waste. Mr. Murphy stated that they do not have one. Commissioner Collins suggested that they get one to haul those types of waste. Mr. Murphy explained that part of the reason for getting this type of truck was to be able to maneuver around different parts of the city and it would be difficult with the trailer. Mr. Silverboard stated that they would look at it, but wasn't likely that they would be able to do it.

Mayor Minning asked what the volume of the packer was versus the volume of the clamshell. Mr. Raus stated that the packer is a 30 cubic yard packer. Mayor Minning asked if this would be in tandem, or if the clamshell would be used for primarily all the yard waste. Mayor Minning clarified that it wouldn't be a double route, but the clamshell

would be used for the yard waste and appliances. Mayor Minning asked if this would be a self sustaining item. Mr. Silverboard stated that the clamshell truck was already approved in the current year budget and he thinks the appropriate time to discuss it is when they bring it to the Commission for approval for purchase.

Commissioner Collins asked for a description of the packer truck, which was given by Mr. Murphy. He then asked for the count of the packers and the replacement schedule.

Mayor Minning asked the Commission what they wanted to do about the purchase of the new truck. Commissioner Coward stated that she preferred to purchase it outright rather than finance it. Commissioner Bildz agreed with Commissioner Coward.

Recycling:

Mr. Silverboard explained that all there is is a contract payment to Waste Management. In addition we have requested to purchase some additional containers. The County is still looking at doing a county-wide recycling, but they haven't made a decision yet. If they decide to do so this item can be removed from the budget.

Commissioner Bildz commented that there are a couple of narrow streets at the end of Sunset Beach that our employees used to take care of. Waste Management is now doing that.

Storm Water:

Mr. Murphy explained the changes in the employee allocations. He then explained the SWFMD grant that we are obligated to match. There will be a net decline in the cash balance in this account for the year. If you look at the sources of cash we are asking for a rate increase of 10%. With that increase we are still looking at a shortfall that will require us to go to fund balance. He gave a brief explanation of the requests for this year. In capital outlay they are asking for about \$60,000 for drainage improvement at Sunset Beach, and another \$30,000 for storm water system relining.

Commissioner Bildz clarified that the increase would be 10%. Mr. Silverboard answered in the affirmative. He then asked about the line maintenance. Mr. Murphy stated that it is undetermined at this time how much would have to be done. They know what has to be done, but they like to have money available for unforeseen needs.

Commissioner Gayton discussed the past rate increases and stated that we still have a fund balance of \$493,000. He doesn't think that there should be a fee increase, and he will not support it.

Commissioner Collins stated that he feels that the \$18,000 for the street sweeper is a waste of money and doesn't feel that we get our money's worth out of it. Mr. Silverboard stated that it gives us compliance with NPDES.

Mayor Minning asked about the \$300,000 for the storm water interceptor project. Mr. Murphy explained that there is a significant drainage issue in the Sunset Beach area. It would send the drainage down the new lines and through storm water interceptor cleaning devices and into the intracoastal. It will improve the flooding situation in that area. Mayor Minning stated that he thought the grades were an issue there. Mr. Silverboard stated that it is an issue. The lines might be larger, and the water will be cleaner, but he doesn't think there will be a significant improvement in the flooding situation. Mr. Murphy stated that they are in how fast the water will run off and this should improve that. Mayor Minning asked if they had a list of the priorities. Mr. Murphy stated that they have a list of areas of concern that they are looking at. Mayor Minning

asked if they could create a list of priorities and allocate based on that list. Mr. Silverboard stated that they need engineering assistance to do that. Mayor Minning commented that there is quite a bit in fund balance, and suggested that they use some of that money for that. Mr. Silverboard stated that the storm water improvement program was never done. We are in the process now of trying to identify the need, but ultimately we are going to need engineering assistance to do a basin by basin review of the need. Historically the storm water function has been subsidized by the waste water, general, and solid waste funds. We have been trying to get the fund so that it generating sufficient revenues to pay for itself. This is part of the reason for the increases last year and this year. It may look like we have a fund balance there, we have been significantly depleting that balance every year because we are not coming in with the fees that would sufficiently cover the costs of this fund. We can't pay for a study of that nature out of that fund balance. Mayor Minning stated that we had to do it or we would never get further ahead. If we could outline a program and plan for the costs then we would get further ahead. Mr. Silverboard stated that there is so much on our plate to get done it is difficult to do so. We are trying to get what we are aware of corrected, and eventually we will get to getting a five year plan for that that we can fund and budget for in a more realistic manner. There is just so much we have to do.

4. Capital Projects Fund

Mr. Silverboard explained that the primary thing in this fund for this year is 104th and 108th. Mayor Minning asked if we would go ahead with a LAP agreement. Mr. Silverboard stated that we would do that if necessary, but want to get 104th done as quickly as possible.

Commissioner Gayton asked what the grant money was for. Mr. Silverboard stated that it was for crosswalks and dune walkovers.

Commissioner Coward asked to discuss parking permits. Mr. Silverboard stated that the \$15,000 in this year's budget was to reflect the money that would have been received for the Sunset Beach resident parking permits. There was a corresponding expenditure for it. We later found that we couldn't do the project based on the regulations for the beach renourishment. We are now looking at designating public parking spaces. We will still qualify for state funds if we provide 47 spaces in a certain area. Ultimately there was a disagreement on where that public parking space should be. We had proposed alternating side of the street parking, which did not go forward. We will be seeing a proposal from some residents of Sunset Beach for permit parking in combination with the public parking spaces. Commissioner Bildz asked if we know it will be revisited should we add the \$15,000 in at this time. Mr. Silverboard stated that he didn't know if they should add it now, or after the special workshop. Commissioner Bildz stated that he felt they should add it in now. Mayor Minning has it as a revisit item.

The workshop was recessed at 3:10 p.m. by Mayor Minning.

The workshop was reconvened at 3:26 p.m. by Mayor Minning.

Revisited items:

1. Delinquent Tax Revenue:

Mr. Silverboard stated that it is not the sales from delinquent tax certificates; it is actually the amount of property taxes that were paid after the March 31st. deadline. We average around seven or eight thousand dollars. It is simply the way they identify those taxes. Commissioner Collins asked if they didn't pay, would it double the amount of delinquent tax revenue for the next year. Mr. Silverboard explained that if it is the tax sale it is on the second line. If it is paid within

the fiscal year we would pay it on the first line of the revenue sheet. Commissioner Coward asked if they had accounted for the \$290,000 in the numbers they have been given. Mr. Silverboard explained that he has not done a revised revenue sheet yet. Commissioner Coward asked if they can add that to what they have been given. Mr. Keranen stated that it is \$293,364. Commissioner Gayton asked what they would add it to. Mr. Keranen stated that it would be added to the ad valorem line. Commissioner Gayton clarified that the actual received is \$3,638,000 plus the \$293,364. The new figure is \$3,931,918. This amount is more than the estimated figure for this year. Commissioner Bildz asked what the collection rate was. Mr. Keranen stated that it is roughly 95%.

2. Electric Franchise Revenue

Mr. Silverboard stated that he used a different methodology than the one suggested by Commissioner Coward. On June 30th they had \$495,000 in revenue, which is at 6% for the franchise fee. He estimates approximately \$660,000 for the year. Commissioner Coward stated that they picked up \$35,000 over the estimate. Mr. Silverboard answered in the affirmative.

3. Electric Utility Tax Revenue

The utility tax is not calculated on the entire bill, but on different portions of it, so you can't use the same methodology to estimate utility tax revenues. Mr. Silverboard estimates approximately \$542,500 in electric utility tax revenue, which is about \$22,000 higher than what they budgeted.

Commissioner Gayton commented that one of the problems when they increased the utility tax from six to ten percent was that they never get the ten percent. He read an excerpt from the law regarding how this is calculated. We did not get this increase until February because it started on January 1st. He thinks that the best way to do this is to calculate how much they have in utility taxes for the months of February through July and get an average. It comes out to approximately \$620,000 for the year. Whatever we use for franchise we should use for utilities because the tax is the same. We can't use the full year because we were not getting the full taxes for the first few months of the year. The franchise fee is always lower than the utility taxes, so he believes that we will get the same money for each; and a minimum of \$620,000 for each. That would be an additional \$100,000 for next year. Mr. Keranen stated that he believes that Commissioner Gayton is correct, except that there are some significant exemptions from their total sales. His monthly utility tax runs lower than the franchise fee, and Commissioner Gayton said it was the opposite. Commissioner Bildz stated that we could go conservatively at \$50,000 per month and that would be \$600,000. Mr. Silverboard asked if they wanted to change that amount in the budget. Commissioner Bildz stated that the City Manager has told them that there are a lot of homes in foreclosure that will not be using electricity. Mr. Silverboard asked if they wanted to change the numbers. Commissioner Gayton stated that if Mr. Keranen feels that based on past history that is what we are going to get, then we should change it. Mr. Keranen stated that he would like to look at it again and get back to them. Commissioner Coward stated that they could look at last year's bills and estimate. They are not looking at an exact figure. Commissioner Gayton stated that since last year the utility company has increased their rates also. Commissioner Coward commented that that was what she meant – use last year's figures increased by the rate increase. Commissioner Gayton stated that what we are receiving is a good number to use. Mr. Silverboard asked if that was what the Commission wanted to do. Mayor Minning stated that Mr. Keranen wants to get back to them on it. Commissioner Collins stated that they should err on the side of caution so that they are not caught short at the end of the year. Commissioner Gayton stated that by taking the \$20,000 off they should be ok. It was agreed to change it to \$600,000, and Mr. Keranen will get back to them if he sees a problem with it.

They discussed increasing the franchise fee to \$660,000. Commissioner Bildz stated that he didn't feel that the numbers could show that. He thought it was closer to \$600,000. Mr. Silverboard suggested that they change it to \$640,000. It was agreed to do so.

3. Parking Meter Revenue

Mr. Silverboard stated that it will depend on whether Caddy's, or the rest of the beaches, will be as popular next year. Mayor Minning stated that the reason he put this on the list was because this year's actual numbers were lower than anticipated. Mr. Silverboard stated that the Commission will need to make a decision as to where meters will be installed. Mayor Minning stated that they can decide based on his recommendations, and the budget that he presented included all of those. Mr. Silverboard stated that the previous budget had anticipated having most of those spaces metered for most of the year, but it hasn't been done. He suggested that they go with \$120,000. There has been \$70,000 collected for nine months this year. Mr. Silverboard stated that at the rate we are collecting now it will be at \$93,300. Commissioner Bildz stated that July and August are traditionally big months. Commissioner Coward stated that we never settled on how much they would be changing per hour. Mr. Silverboard stated that he would not go higher than \$120,000 at this time. It was agreed to go with that figure.

4. Beach Concession Revenue

Mr. Silverboard explained that Mr. Taylor's rate was \$15,320 for the year. They need to consider Mr. Coccozza's proposal, which would bring in \$5,000. That would be \$20,320 for the year in total. Mr. Silverboard stated that Commissioner Bildz wanted to wait until after the workshop. It is not a large amount of money. If the Commission approves it, it will be \$5,000 that they didn't expect. It will not be a great impact.

5. Commission Referendum Elections

Mayor Minning stated that they were in agreement that the referendum on downtown redevelopment would not take place in this year. It was agreed to budget for the normal March election. Commissioner Bildz stated that he thinks that there will be another one and suggested that they budget for two. Commissioner Gayton stated that he doesn't think they should budget for a "maybe".

6. Need for part time accountant in Finance Department

Mr. Silverboard stated that there is nothing more that they can tell them. Commissioner Bildz asked what the impact on the budget was. Mr. Silverboard stated that it is \$18,000. Commissioner Bildz stated that it is a minimal impact on the budget and if the Finance Director needs the help they should budget for it. Commissioner Collins agreed. Commissioner Coward stated that they have asked every other department to streamline, and we have thrown money at this problem for two years. She has talked with people who use the accounting module. She has asked about the current staff in the Finance Department. She does not have a good feeling about what those other people are doing. She can not support this. She feels that if we keep throwing money at the problem then there is no incentive to solve it.

Commissioner Collins asked Mr. Keranen how long he felt that he would need the part time person. Mr. Keranen stated that he felt that a year would take care of it. There are a lot of things that need to be done. Commissioner Collins stated that it would be made known to the person hired that it would be part time and for a year's duration. Commissioner Collins then asked how long it would take without the additional person. Mr. Keranen stated that he starts to get caught up then gets pulled into something else. Commissioner Collins stated that he would be in favor of budgeting it with the understanding that they would review it in six months. Commissioner Bildz stated that if we budget for a year and staff feels that they don't need them that long they will not keep them. Mayor Minning stated that he will support city staff in their recommendation. Commissioner Gayton stated that he supports Commissioner Coward as she has more experience than anyone else in the room. We have never had the need for this position before, and he feels uncomfortable in asking everyone else to cut back and adding staff

here. Mr. Keranen explained that a year ago they lost a full time employee who was not replaced, and then they lost the Finance Director. It has been difficult staying caught up in this situation. Commissioner Collins stated that the Finance Director doesn't feel that the job can get done under this situation. The bottom line is, the job has to get done. We need to get up to where we need to be. He agrees with both Commissioners Coward and Gayton, but the bottom line is we need to get it done, so it is something that we need to do.

This item will stay in the budget.

7. Information Technology – TV Camera

Mr. Silverboard explained that there is a camera budgeted for in the current budget, and one proposed in the new budget. The cameras are not replaced unless necessary, but have an average life span of three years.

Commissioner Collins stated that he doesn't understand why they wear out in three years. Mr. Santos gave an explanation of what wears out. They have learned through experience that this is what happened. It is not recommended practice. They budget for it, but do not replace it unless they have to. The oldest camera is five years old. It was agreed to keep this item in the budget.

8. Police:

Chief Casey stated that Commissioner Gayton had asked for some information regarding the boat and engines. This item was not on the list. He stated that the engine had approximately 1,000 hours on it when it was replaced last. The idle time is hard on the engines.

a. When was the vacant position accounted for?

Chief Casey reported that the position was vacated in August of 2008, but it was not budgeted for in the current year's budget, nor in next year's budget.

b. Explanation of Revenues –v- Expenses for Private Detail

Chief Casey stated that it was an estimate based on records of previous details. Commissioner Bildz stated that the question was why there was such a large difference between the two. Mr. Silverboard explained that they would have to increase or decrease one or the other to bring them closer together. Chief Casey stated that all he can do is estimate based on previous years, and it should be a wash, as they would only be paid for what they work and is billed for.

It had been asked if the City made any money on those details. Mr. Silverboard stated that they do not. The officers are paid the entire amount that it billed and collected, even though they are using the City's equipment.

The revenue will be increased by \$72,500. Commissioner Bildz stated that he agrees with Commissioner Collins and that we should review the entire procedure. The City should not have any unreimbursed costs for private detail. He then asked if the City was paying retirement on this money. Ms. Valdes explained that the City must pay the retirement on all earnings. The money for that was built into the rate that is charged. Mr. Silverboard asked how much of that amount the officer receives. Chief Casey stated that the officer receives their normal overtime rate of time and a half.

Mayor Minning stated that they will pass this as a revenue neutral item and asked that Chief Casey review this with Ms. Valdes to ensure that this is a revenue neutral item.

Commissioner Gayton asked for clarification on the number of employees. Chief Casey gave the list of employees. Mr. Silverboard stated that the salary figure of \$20,788 for the custodian was inadvertently left off the police budget and needed to be added in. Commissioner Coward asked if that came off somewhere else. Mr. Silverboard explained that it was in addition to the current amount. Half his salary is paid by the Police Department and half by Public Works.

c. Overtime breakdown

Chief Casey has provided the Commission with a breakdown of the hours and staff broken down by category. This report also includes the special detail overtime.

Commissioner Gayton asked how much should be deducted from the \$220,000. Chief Casey gave the figures. Commissioner Gayton stated that they will still come out to about \$225,000. Chief Casey stated that there were 220 hours at Sunset Beach alone before they started the special details with Caddy's. Commissioner Gayton asked about the number of officers per day at Caddy's. Chief Casey clarified that at some points there were up to seven per day on the weekends. Commissioner Gayton stated that he felt it important to have an idea of what is being spent on overtime in that area so that the public knows that we are being responsive to the problem. Commissioner Gayton asked about overtime for holiday coverage for the same period on 07-08.

The workshop was recessed at 4:50 by Mayor Minning.

The workshop was reconvened at 5:03 p.m. by Mayor Minning.

Chief Casey gave an explanation of the overtime at Caddy's. As of July 12 the special detail hours are a total of 888. Of that, 628 were paid by Caddy's. 222 were paid by the department and includes support staff. Support staff is paid their normal overtime rate. The officers work roughly 5 hours each on Saturday and Sunday, the dispatcher is always three hours, and the parking enforcement assistant is six hours. Police staff will adjust their hours to save the city money on overtime.

Mr. Silverboard asked how much more we were going to have to add to the overtime budget. Commissioner Gayton asked him to exclude Caddy's. Mr. Silverboard explained that there are details at the beaches around Caddy's as well. Chief Casey explained that they are spending roughly \$1,000 per weekend to have a visible police presence in the entire Sunset Beach area. This will continue until they see results from the extra presence. They are trying to have an officer assigned at Sunset Beach at all times. They are also using the boat there to attack this on all fronts. Mr. Silverboard stated that gradually we should have about 3 months of less activity until we will need to gear up again. We probably do not have sufficient funds in overtime to cover it and should add to the overtime budget. Commissioner Bildz agreed and suggested that they bring it up to \$225,000. Mr. Silverboard stated that we have to continue the heavy presence until we knock down the problem. Commissioner Collins clarified that the \$225,000 would cover the additional staff support. Chief Casey answered in the affirmative. Commissioner Gayton commented that he had hoped that there was another way of handling this. Chief Casey stated that they have cut staff by two officers, so that they had to rely on overtime to cover it. Chief Casey stated that the number of special events that the city is having also affects the police staffing. Additional incidents happen that are unpredictable ahead of the event. Commissioner Bildz stated that historically, no matter how much staff we have, it has always been over \$200,000. Last year we reduced it unrealistically, and we have to put a realistic number in there. Commissioner Coward stated that she agreed.

d. Gas usage and cost

Chief Casey reported that they found an error in the spreadsheet, so they reduced it from \$60,000 to \$48,000.

9. Marine Patrol Allocation of Personal Services

Mr. Silverboard stated that they should keep the marine patrol as is for the full year. Chief Casey stated that they will still enter into the interlocal agreement, but will still be out every weekend. Mr. Silverboard stated that he wants to leave the figure the same, and if they need to revise it in September they can. Commissioner Collins clarified that they will still enter into the agreement with St. Pete Beach and Gulfport. Mr. Silverboard stated that the marine patrol will be out every week.

Commissioner Collins discussed the continuing problem with Sunset Beach, and expressed concern that we will not have sufficient coverage for that area on some weekends. Mr. Silverboard stated that the reason for the agreement was that every third weekend we would be responsible for patrolling the other two communities, but we would have one third extra coverage on the other two weekends. Commissioner Collins stated that he feels that it is going to end up costing us more money if we enter into this agreement.

10. Dispensation of the \$32,000 for the EMS Engine Replacement

Mr. Silverboard stated that we have not gotten a response from the County on this. What we do know is that it is not going to be available to spend. It will either be held by them, or we will have to put it into a reserve account. Commissioner Coward stated that we would have to adjust the revenue to show it.

11. Cost for a new Christmas Tree

Mr. Murphy stated that the condition of the tree is such that the electrical wiring on the tree is as bad as what was on the pole decorations and is dangerous. He suggested that if they don't replace it they should tear it down, rewire it, and refurbish it, which would cost approximately the same amount as replacing it. Mr. Silverboard suggested that they purchase a real tree. Ms. Hayduke stated that they would need to decorate and undecorate it, so there would be a cost for decorations, lights, and staff time. Commissioner Collins asked if we could rent a tree from the same company we were renting the lights from, or could we just plant a real Christmas tree there. Mr. Silverboard stated that it is difficult to find a type of evergreen tree with the right shape that will grow here. It was agreed to explore renting the tree as we will be doing with the pole lights.

12. Use of County Gas Tax and proceeds from sale of causeway house for offsetting operational costs for T.I. Causeway.

Commissioner Gayton stated that since we now have revenues that we were not aware of previously, he would like Mr. Silverboard to give them a list of the pluses and minuses of where they are now before they decide on how to use the revenue from the house, or the county gas tax funds. Mr. Silverboard stated that he can give them the figures at the Commission meeting tomorrow night.

Mayor Minning stated that there are two issues here. Commissioner Gayton stated that if we were close to the 2.499 we might not have to touch the LOISS money. Mayor Minning stated that they have already clarified that LOISS funds can not be used for operation and maintenance.

13. Possible funding for restroom facilities at Weckesser and Sunset Vista parks.

Commissioner Bildz stated that he feels the crowds are due to one business, so that business should be responsible for putting in additional facilities. He also feels that those two parks are not big enough for restrooms.

Commissioner Collins asked if the business that they are talking about has sufficient restrooms, and if they do, how can we require that they put in more. Mr. Silverboard stated that whatever they are, they are grandfathered in. We cannot require them to make those restrooms available to the public. They don't have to bring things up to current codes. Mr. Amico has asked before if he could build a restroom facility on that additional lot. Realistically the problem is not just that business. It is the initial magnet to that area, but the crowds are coming to the entire beach area. The Commission needs to decide if they have a responsibility to provide restroom facilities if the people in the neighborhood are complaining with what is going on. Commissioner Collins clarified that they can not require him to build additional restrooms. Mr. Silverboard answered in the affirmative. Commissioner Bildz stated that those people are using his parking spaces, and he is charging for them, so therefore they are his customers. Commissioner Collins reiterated that they cannot require him to do anything that they don't require any other business owner to do. He asked if Mr. Amico had found a new facility. Mr. Silverboard stated that he is still looking for a restroom facility, and is currently providing 8 port-a-potty units. He has said that he can find self contained units, but not one that can connect to public water and sewer. Commissioner Collins asked if he owns what used to be the Laundromat across the street, and if so, has anyone asked him if he would consider turning that into a restroom facility.

Commissioner Gayton stated that the question was do we want to spend money for two toilets when there is already a problem with eight port-o-lets. This is an enforcement issue.

14. Revisit the Recreation Department Summary

Commissioner Bildz asked about the difference between revenues and expenditures. Mayor Minning stated that the difference is \$260,000 if you take out capital improvements.

Commissioner Gayton stated that the original question was what was the total of each division, as well as the total department budget. Mr. Silverboard gave him the breakdown of the four divisions. The total is \$889,470, which includes the capital improvement. The total without is \$801,230. Commissioner Gayton stated that there is a difference of \$65,000 in additional expenses, which includes the new park, as well as the electricity for the beach and parks.

Mayor Minning clarified that last year about \$163,000 came out of the general fund last year, and this year it appears to be about \$263,000. Ms. Hayduke explained that the difference was the new city park, and that expenditures were moved from other parts of the budget into this department.

15. Status of the Auditing contract

Mr. Keranen reported that we are in the last year of a two year extension. Commissioner Gayton stated that we could go out to bid now if we wanted to. Mr. Silverboard suggested that they do next year with the current auditors, then make the decision next year whether to change or not. Commissioner Gayton agreed with Mr. Silverboard.

16. Revised final fund balance information for LOISS

Mr. Silverboard stated that they had been given information the other day on the fund balance. It was \$99,000 as of September, 2008. They are estimating that at the end of this year the fund balance will be \$253,830. That is partly from the savings that they will have from not buying the backhoe. They did not budget the full amount this year.

Commissioner Gayton stated that since they were not going to use those funds then they should increase the amount to the general fund. Mr. Silverboard stated that that hasn't been decided yet. They should wait until they get the

Commissioner Coward stated that the last time they talked about it they wanted more input from the citizens and they were each going to talk to their civic associations about it. There has been no further conversation.

17. Revisit parking permit expense/revenue for Sunset Beach

This will be decided after the special workshop.

18. Credit Card fees for WPC

This will be reduced to \$2,000.

19. Recalculation of the base rate based on 10,000 gallons of usage

Mr. Silverboard will provide that information.

20. Commissioner Gayton asked about the beach improvement sand sharing permit for \$17,500. Mr. Silverboard stated that they will be bringing this to the Commission. The county has agreed to fund it, and he will need to put the \$17,500 cost into the revenues. It is a revenue neutral item. Commissioner Gayton asked for information on payments to Coastal Tech for sand sharing. He clarified that all previous expenses have been paid for by the County.

Mayor Minning explained that the county broke it down into three tasks. We have to do a post storm survey in order to make it into a project. We can't do the post storm survey until we have a storm. Mr. Silverboard explained that we have to front the money and submit for reimbursement.

Commissioner Bildz stated that he has calculated an additional \$190,000 in revenue based on what has been done today. Mr. Silverboard stated that they will have the numbers together for them for them tomorrow.

The workshop was adjourned at 6:08 p.m. by Mayor Minning.

VI. Setting Special Meeting to Adopt Tentative Millage Rate

VII. ADJOURNMENT