

MAYOR
THOMAS F. SLATER

VICE MAYOR
MICHAEL B. OCHSNER

COUNCIL:
ROBERT F. AUWAETER
RICHARD M. HAVERLAND
DEBORAH H. PENISTON



TOWN MANAGER
ROBERT H. STABE, JR.

TOWN CLERK
LAURA ALDRICH

TOWN ATTORNEY
CHESTER CLEM

MINUTES
BUDGET WORKSHOP
Thursday, June 28, 2018
9:00 a.m.

1. **Call to Order** – 9 a.m.

- a. Invocation – Vice Mayor Ochsner
- b. Pledge of Allegiance
- c. Roll Call. Reflected above and as follows: **STAFF present: Heather Christmas**, Treasurer; **Darlene Wiltzius**, HR/Finance; **Mark Shaw**, Public Safety Capt.; **Al Iovino**, Public Safety Officer; **Shawn Hoyt & Rick Villars** (9:48), Public Safety; **Rob Perry**, Building Official; **Adam Brobst**, Public Works Director. **RESIDENTS present: Ralph McCrae**, Pebble Beach Villas; **Brian Foley & Patty Gundy** (9:48 PG), Pebble Bay; **Joanne Sardella**, Pebble Lane; **Nancy Auwaerter**, Ocean Colony; **Tom Ether**, The Shores; **OTHERS present: Melanie Stegall**, Brown & Brown Insurance; **Janet Begley**, TC Palm/PJ; **Tim Zorc** (9:15), IRC Commissioner; **Lisa Zahner** (9:15), VB 32963; **Michael Hoyt & Howard Gutman** (9:50), Lutgert; **Bruce & Brannan Howard** (9:50), Bruce Howard & Associates; **Megan Raasveldt** (9:50), VB Realtor; **Mike Korpar & Sam Nelson (9:55)**, JI Security & JI Maint./Util. Directors

2. **Town Manager's & Department's Discussion**

Changes since June 8 Draft: Town Treasurer Heather Christmas had a power point presentation of the tentative budget, pointing out that the tentative millage rate for the coming year would be carried forward for vote at the following regularly scheduled council meeting as required by Florida Statutes. That becomes the rate shown on the TRIM notices in August to the taxpayers and the maximum millage rate the Town could adopt in the final budget, but it could also be reduced if the Council so choses.

Rather than a 3.54% increase in ad valorem taxes as initially estimated, the values received on June 26th indicated 6.53% increase of \$3,137,996,959. Other anticipated non-ad valorem revenue increases of \$90,000 include \$50,000 Federal Funds interest rate increase, \$20,000 for cell tower land lease revenue and \$20,000 for sale of the older ambulance.

Other changes since the June 8 draft for expenditures include *decreases* in the Town Manager's pension expense of \$13,000, \$30,000 *removed* from collective bargaining contingency, \$12,000 *decrease* for ambulance repair/maintenance, and \$10,000 in three other categories. *Added* to this \$65,000 reduction in General Fund expenditures is \$30,000 capital expenditure reduction from the Building Fund for plans only rather than construction at this point.

Combining the increased revenues and decreased expenditures adds \$155,000 to the budget. The breakeven rate is 1.4626 mils, and the original proposed millage rate of 1.4731 is the historic rate for several prior years. Setting the millage to the 2018 rate of 1.3774 would result in a \$251,583 loss. The **new proposed rate** of 1.4200 is the average rate between the breakeven 1.4626 and current 1.3774, and would result in a loss of \$123, 252. The estimated Unassigned Fund Balance would be \$5,833,588 with this millage rate of 1.4200. Both she and Councilman Auwaerter agreed that having a budget which does not cover expenses but projects a loss is not optimum, but in this circumstance, it is giving back a portion to the residents.

Departmental Personnel Changes. She continued with reviewing the requested changes in staff. Adding ½ person for **Public Works**, which is responsible for the Town facilities, landscaping, the cemetery including maintenance and irrigation, Community Center condition after use, and NPDES inspections. The inspections

take much more time than anticipated, and research regarding outsourcing this versus having an inhouse person performing them revealed that it was more cost effective to use inhouse staff. Every construction site has to have NPDES sediment control measures, Mr. Brobst explained to Councilman Haverland, which could require more than one inspection on a site in a day and/or during a weekend. There are 70 sites currently requiring inspection, and a 30-acre development sites takes 1 ½ hours to walk the inspection to make sure the silt fence is holding. Reports are submitted to FDEP and SJRWMD every 18 months to State subject to audit, every 5 years is required to keep the NPDES permit. In between July and December, the Town had 63" of rain last year. Each site 1 acre or more has a rain gauge and the report includes adjacent property concerns or impact. Mr. Brobst is working on making it all electronic. Council commented that this sounds like it is a necessary position.

Mrs. Christmas continued that the second change was for the **Town Clerk's** office, where the request is to hire a full time rather than part time person to assist with the front desk, NPDES public outreach efforts, establishing an office filing system to meet State records requirements, and serve as a back-up person to the Clerk's position. Mrs. Aldrich offered to answer any questions and stated that she had provided detailed justification to the Finance Committee and to the Council last year as well that still applies. The Vice Mayor asked who the part time person is currently, and she replied that there is none.

Also new in the budget this year is **Public Safety's** request for a new lieutenant and a new sergeant position. Lieutenant Dudley has retired and left a vacancy, which is planned to be filled by promotion from within. The second lieutenant will fill the gap left by Captain Shaw, who with Officer Iovino spoke in detail with the Council about the additional per diem officers who will serve as investigative officers. There are three major cases being investigated by one full-time detective, and they are using extra per diem officers to assist. They are requesting to add one extra per diem specifically for investigations. One case alone required 77 subpoenas to be issued, which took hundreds of hours. Reimbursement for this would be pennies on the dollar.

Vice Mayor Ochsner recounted that he had met with the Chief and Officer Iovino to discuss the additional officer, and is under the impression that it is geared towards specific medical needs of the residents who have no other advocate to look after them. Officer Iovino should be commended for thinking of our citizens in this way. It looks like it is needed, but the Vice Mayor was not convinced it is our PSD officer's job. Florida seems to be deficient in caring for elderly and those who need help. Our officers look for abuse and other issues rather than just law enforcement, which is ideal for smaller departments like IR Shores. Having this per diem on shift Monday – Friday they could also save money with filling in for a shift officer at least once a week. The true cost to promote someone to this position and bring in a full-time base entry triple-certified person could cost \$87,000/year for a paramedic and \$77,000 for an EMT. Promoting a PSO to Sergeant saves \$21,000 in the first six months; or about \$40,000/year savings.

Yesterday an industrial accident call required all hands go to the site. Trying to run a 5-man minimum shift, this person would supplement as the 6th during normal weekday office hours. A sergeant is needed as it is a complex position that requires a knowledge base, an RN, several degrees to assess the situation. If our department is aware of one resident who calls 8-10 times a month for falls, they can recognize this and ask what the bigger issue might be, whether it's a medication contraindication or other issue, diplomacy and experience are necessary. There is an increase in this type of incidents, Officer Iovino said, and one paramedic group in SC has a team to identify problematic patients recognizing it as a win-win situation. We are really unique, have the ability, staff, and education to do something different, being able to identify a problem early on and give the resident a better quality of life.

Meeting with HOA presidents to discuss how and what PSD officers do with tools to prevent tragedies, and may find fraud and health care abuse, can contact relatives, create files, and watch for multiple EMS calls. Being proactive rather than reactive, as Councilman Auwaerter said, furthering the first, unique status as one of five public safety departments in the state. The Council thanked Officer Iovino for the detailed explanation.

Mrs. Christmas reviewed the current millage rate of 1.3774, the breakeven millage rate of 1.466, and her suggested proposed millage rate of 1.42. She asked that the Council keep the millage rate page handy, so they can refer to it when they determine the tentative millage rate at the end of the meeting.

3. Council Discussion (9:47)

Councilman Haverland noted that the proposed change in millage would create close to a 10% increase in taxes and 8% increase in millage rate. He was against changes in staff levels or capital investments unless the new manager agrees to it.

He noted that his list of questions did have some answers, and some he viewed as a brush off, such as the need for a clerk assistant and that for an additional Public Safety lieutenant. He provided his own research on town managers and town clerks with assistants using municipalities with more or less the same level of staff and budget as us, finding only two that had more than 3 total people. Davenport had twice the size of our budget, with a corresponding 50% increase in the staff. Madeira Beach has a budget three times more than ours, and a headcount 30% higher. This by itself doesn't necessarily indicate that we don't need help here, but he questioned if we aren't able to operate as efficiently as these.

For the Public Works assistant, Councilman Haverland mentioned that time not spent cleaning drains could be used for something else. He was also in favor of paying mileage reimbursement rather than adding a vehicle for the Public Works department.

Another concern that Councilman Haverland had was the request for an additional lieutenant, which he thought contributed to an unbalanced organization chart. The need for investigators and \$60,000 for software costs related to Public Safety did not have enough details.

In the Building Department, the Councilman questioned impact fee reduction plan as it relates to inspection reports. Data on timeliness of inspections or productivity measures are not provided to help explain the need for extra staff. He isn't disputing any needs, just the lack of explanations.

Justification for four more parking spaces, missing facts and figures, was noted. No explanation for who uses portable radios or justification for their purchase was provided. Councilman Haverland continued that he recalled the discussion about more traffic cameras but didn't recall agreeing to purchase them for Jungle Trail. Councilman Auwaerter and the Town Manager both thought they had agreed to them. He questioned the need for a drone, which Councilman Auwaerter explained that a senior agent for Customs and Border Patrol did a presentation, facilitated by Chief Rosell, to the Sunrise Republican Club. They explained that there is constant intrusion along the East coast of Florida, and that border security on the Gulf Coast is driving them to this area. Drones can quickly find drug runners and human traffickers using infrared cameras. The special agent from ICE said there is a scenario whereby a house is rented, and is never visited or used by the owner, but is used as a distribution site for drugs that are picked up off the beach. Councilman Haverland asked if it would be used, every night and would it require that we train 6 officers to run the drone?

Officer Iovino confirmed that drugs and human trafficking are an issue and it is happening, recounting that he and the Sheriff's Office had intercepted two Bahamians with 8 illegal people and \$250,000 in our Town. The drone will also be used for firefighting as a scout for semi-high-rise buildings with a fire, or for locating missing persons such as the recent Alzheimer patient who was in the Lagoon, it could have been a much sooner rescue using infrared rather than with a flashlight.

Vice Mayor Ochsner asked if we have to hire another person to operate the drone, and Officer Iovino said we have an officer currently who is a helicopter and drone pilot, who will train other officers inhouse and bring current staff to compliance. The drone could be used nightly. Councilman Haverland questioned the procedures associated with the drone, which Officer Iovino said once the purchase is approved would result in a plan on how to use it.

The keyless entry system was explained to Councilman Haverland by Officer Iovino as a tracking system of who enters and exits the station, as is done in other local agencies. The expenses are to get the keyless system up and then an electric gate next year.

The Councilman also questioned the significant jump in state revenue from what was budgeted, explained by Mrs. Christmas that we won't have exact numbers for a couple of weeks. An audit done last year skewed the revenues.

Councilmember Peniston said she is comfortable with the recommendation of 1.420 mils.

Vice Mayor Ochsner thanked Councilman Haverland for his thorough input which answered some of his questions he had. He favored 1.47 mils and leaving some room, or possibly break even at 1.4626.

Councilman Auwaerter and Councilman Haverland discussed the pension contribution rate shown in the report as actual YTD return.

Councilman Auwaerter received clarification on building inspectors on Page 5 of the proposed budget (PZB Fund, inspectors) from Mr. Perry, who said we have one part-time person for Friday's only and another part-time person three days week as an inspector. They are using a part-time planner. The Town is currently advertising for a 5-day week full-time and removing the two part-time positions. This brings the current inspectors from 1.6 to 2.0 FTEs. Discussion about the planner paying development costs and reimbursing the Town being shown as "a wash" in the budget followed, with about \$5,000 being budgeted for other needs. Mr. Perry said the plan review fees recoup the costs.

Mayor Slater said that Mrs. Christmas had covered all of his questions in her comments.

4. **Audience Discussion** (None)

5. **Recommendations**

a. Tentative Millage Rate Ceiling

A motion to recommend approval of the tentative millage rate of 1.420 for the FY 18-19 budget was made by Councilman Haverland, which was seconded by Councilmember Peniston and passed 4-1 with Vice Mayor Ochsner opposing.

b. Approve Tentative Budget

Treasurer Christmas said they need to arrange to have another budget workshop to review more of the budget details, recommending immediately *following* the next Council meeting.

6. **Adjournment**

Mayor Slater called for a 5-minute break before commencing with the Regular Town Council meeting before the meeting adjourned at 10:30.

Respectfully submitted,

/s

Laura Aldrich, MMC
Town Clerk

Approved by the Town Council at the July 26, 2018 Regular Town Council meeting.