



MINUTES  
THE TOWN OF INDIAN RIVER SHORES  
6001 North Highway A1A, Indian River Shores, FL 32963

FIRST BUDGET PUBLIC HEARING

Friday, September 7, 2012

5:01 p.m.

**PRESENT:**

**Thomas W. Cadden, Mayor**  
**Gerard A. Weick, Vice Mayor**  
**Frances F. Atchison, Councilmember**  
**Richard M. Haverland, Councilman**  
**Michael B. Ochsner, Councilman**

**STAFF PRESENT:**

**Richard Jefferson, Town Manager**  
**Laura Aldrich, Town Clerk**  
**Chester Clem, Town Attorney**  
**Judith Lewis, Town Treasurer**  
**Robert Stabe, Public Safety Director**  
**Shawn Hoyt, Public Safety Detective Sergeant**

**OTHERS PRESENT:**

**Resident John Porta (Finance Committee)**  
**Reporters Press Journal (Janet Begley) & VB 32963 (Meg Laughlin)**

1. **Call to Order**

- a. Pledge of Allegiance
- b. Invocation
- c. Roll Call

Mayor Cadden called the meeting to order at 5:01 p.m. with the Pledge of Allegiance and Invocation, followed by the roll call by the Town Clerk as reflected above.

2. **Discussion of Tentative Millage Rate and Budget**

- a. The Town of Indian River Shores tentatively proposes an aggregate millage rate of **1.4731** per \$1,000 for the Fiscal Year 2012/2013.
- b. The tentative millage rate of **1.4731** is **4.19% LESS than** the rolled-back rate of 1.5376.
- c. The 2012/2013 tentative General Fund budget is \$4,324,060.
- d. The other funds in the 2012/2013 budget are tentatively set as follows:
  - 1) Roads and Offsite Drainage Fund of \$69,720 and
  - 2) Planning, Zoning and Building Fund of \$327,668.

Mayor Cadden invited Finance Committee Chairman Mike Ochsner to provide a report of the latest meeting, which was August 28. Councilman/Chairman Ochsner said the Committee reviewed the addendum to the budget and agreed that it was appropriate to give the Town Manager the latitude to determine how to distribute the merit increases.

Mayor Cadden announced the millage rate as 1.4731, which can only be adjusted downward. The Town Clerk read 2 a - 2c as printed above.

*Please Note: The Town of Indian River Shores does not routinely keep verbatim minutes. Any party interested in such an appeal relating to any decision made by the Council with respect to any matter considered at this meeting is responsible to record the meeting and include the testimony and evidence upon which the appeal is to be based.*

Councilman Haverland received permission to talk about the budget, first mentioning legal expenses of \$80,000 as originally budgeted which included \$30,000 for labor negotiation attorney representation. He thought these funds do not appear to be needed should be considered for removal from the budget. Second, he mentioned the failure to set aside anything to cover the \$1.8 million of retirement medical liability, suggesting that they consider using \$100,000 of surplus funds to partially cover this “cost incurred on our watch.” And finally, he questioned if there was some level at which the Council should be consulted when the Town Manager awards a portion of the budgeted \$24,000 for salary increases. He suggested any increase over 5% be passed before the Council for approval. This is for future consideration, he added.

Vice Mayor Weick and Councilman Ochsner discussed the Finance Committee’s assessment of setting aside funds for the \$1.8 million in liability, which Councilman Ochsner called a phantom number. The implied subsidy is pay-as-you-go, and the explicit subsidy is not able to be separated from this number by the actuary. There was disagreement as to whether a consensus on this existed among the Finance Committee.

Mayor Cadden asked about the request to remove \$30,000 from the Attorney line item going to the pension fund which Councilman Haverland said it would not, but would instead increase the surplus. Town Treasurer Judy Lewis said that the \$30,000 for a labor attorney was for FY12. Councilman Haverland noted that seven of the last eight years have resulted in a budget overrun and adjustment and is concerned that the funds will be expended just because they are there. Councilman Ochsner reassured him that the Town operated on a very lean budget and makes adjustments only as necessary. Councilmember Atchison asked Town Treasurer Lewis to explain, which she said was for this FY in case we needed legal advice for the collective bargaining agreement. All attorney fees are included in the \$80,000, she added. The Town Manager and Vice Mayor agreed that to reduce it would be premature.

Mayor Cadden concluded this discussion by announcing the other funds listed in d. 1) and 2). There was no further discussion by the Council.

### 3. Receipt of Public Comment

There were no comments.

### 4. Adoption

a. Proposed Resolution 12-03 for Adoption of the Tentative Millage Rate:

**A RESOLUTION OF THE TOWN OF INDIAN RIVER SHORES IN INDIAN RIVER COUNTY, FLORIDA, ADOPTING THE TENTATIVE LEVY OF AD VALOREM TAXES OF 1.4731 MILS FOR FISCAL YEAR 2012-2013; PROVIDING FOR FUNDING OPERATING EXPENSES DURING FISCAL YEAR 2012-2013; AND PROVIDING FOR AN EFFECTIVE DATE.**

Mr. Clem read the proposed Resolution 12-03 in its entirety, with the title printed above. There being no comments, a **motion** was made by Councilman Ochsner, supported by Councilmember Atchison, **to approve Resolution 12-03 as proposed**, which **passed 4-1**, with Councilman Haverland dissenting.

b. Proposed Resolution 12-04 for the Adoption of the Tentative Budget:

**A RESOLUTION OF THE TOWN COUNCIL OF THE TOWN OF INDIAN RIVER SHORES, FLORIDA, ADOPTING THE TENTATIVE BUDGET FOR THE FISCAL YEAR**

**COMMENCING OCTOBER 1, 2012 AND ENDING SEPTEMBER 30, 2013; AND PROVIDING FOR AN EFFECTIVE DATE.**

Mr. Clem read the proposed Resolution 12-04 in its entirety, with the title printed above. There being no comments, **a motion** was made by Vice Mayor Weick, supported by Councilman Ochsner, **to approve Resolution 12-04 as proposed**, which **passed 4-1**, with Councilman Haverland dissenting.

5. **Adjournment**

Hearing no further comments, the Mayor adjourned the meeting at 5:20 p.m.

Respectfully submitted,

*/s* \_\_\_\_\_  
Laura Aldrich, Town Clerk

*(Approved by the Town Council at the 9-27-12 meeting)*