



MINUTES

TOWN COUNCIL BUDGET WORKSHOP THURSDAY, JULY 28, 2022, 8:30 AM TOWN OF INDIAN RIVER SHORES

6001 N. STATE ROAD A1A INDIAN RIVER SHORES, FL 32963

1. Call to Order *(8:30 AM)*

The Budget Workshop meeting was called to order by Mayor Foley at 8:30 AM. The Invocation was led by Vice Mayor Carroll and the Pledge of Allegiance by Mayor Foley. Mayor Foley commended Interim Town Clerk Liz Scheidel for her excellent performance while serving the Town as the Interim Town Clerk. He commented that the transition had been seamless.

The Interim Town Clerk called the roll. Those present for were Mayor Brian Foley, Vice Mayor Sam Carroll, Councilmember Bob Auwaerter, and Councilmember Chris Hendricks. Councilmember Mary Alice Smith was not present. Mayor Foley commended Finance Committee Chair, Mike Ochsner and Town Treasurer Heather Christmas for their work on the budget. Mayor Foley thanked the entire Finance Committee for their work as well.

2. Budget Overview and Discussion *(9:03 AM)*

Mayor Foley indicated that the Council had reviewed the Budget and prepared their questions accordingly.

Town Treasurer Christmas highlighted some of the key factors in the budget including the 6% increase on base pay salaries for employees on October 1, 2022, a flat millage rate but there was a 12% increase in property values, health insurance premiums were at 5.9%, and \$300,000 was included in the budget for litigation for the water utility franchise agreement.

Mayor Foley inquired as to the effect of inflation on the budget. Town Treasurer Christmas indicated that for the most part 60% of expenditures were personnel related and that the 6% base salary increase was already reflected in the proposed budget.

Mayor Foley noted that the current budget reflects \$400,000 for the cost of the new ambulance and requested how those funds would be handled if the ambulance was not available until 2024. Treasurer Christmas indicated the funds earmarked for that would roll over to the next fiscal year and remain in place for purchase of the ambulance.

Mayor Foley discussed the millage with Treasurer Christmas indicating it was anticipated that the millage rate would remain the same noting that the Council could determine to set it higher, even though budget was prepared with the current millage rate. Town Attorney Sweeney reminded all that the millage rate once established by the Town Council would be the maximum millage rate for the year and could not be set any higher after that time.

Vice Mayor Carroll asked Treasurer Christmas and Town Manager Harpring how the \$425,000 figure for legal matters was determined. Town Treasurer Christmas noted that figure included

\$120,000 for the cost of the Town Attorney and an additional \$300,000 for litigation which was outlined on page 28 of the budget documentation. Town Manager Harpring noted legal expenses were budgeted as opposed to drawing down reserves. Town Manager Harpring explained that the budgeted amount for attorneys' fees had been determined based on past trends and the two pending cases.

Councilmember Auwaerter drew the Council's attention to page four of the budget documentation and noted that unassigned ending reserves of \$4.8 million dollars, divided by the expenditures of \$7,549,000 would equal 63.6%. Councilmember Auwaerter expressed his concern about tapping those reserves further.

Councilmember Auwaerter's second point related to page 39 of the budget documentation regarding the Planning & Zoning Board and permits. Councilmember Auwaerter discussed cutting expenditures under footnote 5 and inquired whether the permit inspector and other expenditures would be reduced if the housing market declined along with permits and renovations. Town Treasurer Christmas indicated the costs associated with the site plan review, the inspector and Town Attorney Sweeney were anticipated to go down, but most of the other expenditures were fixed.

Councilmember Hendricks noted that because the building inspectors were paid on a per diem basis, that figure could be further reduced per the need. Councilmember Hendricks indicated that the reserves were significant at this time and without a hurricane and with the increase in appraised value, there was an ability to build up an additional \$500,000 in reserves. Councilmember Hendricks stated that a hurricane would be a concern with the supply chain issues present today if Town Manager Harpring did not have the present current hurricane plan in effect. The Council discussed the costs of clean up after a hurricane and Mayor Foley noted that attention should be paid to the reserves yearly along with the environment at that time.

3. **Call to Audience** (8:50 AM)

Mayor Foley opened the floor for public comment. Finance Committee Chairman Ochsner discussed the financial damages associated with Hurricane Frances and Jeanne, but noted at the present time, coverage is adequate.

4. **Recommendations** (8:51 AM)

There were no recommendations by the Council. Mayor Foley asked if there was a consensus of Council as to the work product and the recommendations going forward on the budget. There was a unanimous consensus of the Council.

5. **Adjournment** (8:52 AM)

Budget meeting was adjourned and there was a Call to Order for the Regular Town Council Meeting immediately following.

Approved at the August 25, 2022 Regular Town Council Meeting


Janice C. Rutan, Town Clerk

