

**SPECIAL MEETING OF THE STUART CITY COMMISSION
HELD ON APRIL 22, 2008
AT 9:00 A.M. IN THE CITY COMMISSION CHAMBERS
121 S.W. FLAGLER AVE.
STUART, FLORIDA 34994**

Roll call was answered by:

**Mayor Jeffrey A. Krauskopf
Vice Mayor James A. Christie
Commissioner Carol S. Waxler
Commissioner Michael J. Mortell
Commissioner Mary Hutchinson**

Also present were:

**City Manager: Dan Hudson
City Attorney: Paul J. Nicoletti
City Clerk: Cherie White**

Mayor Krauskopf delivered the Invocation, followed by the Pledge of Allegiance led by the Commission.

1. Presentation on results of water and wastewater cost of service and rate study.

City Manager Hudson gave a brief presentation to the Commission regarding the proposed plan for the outcome of the rate study. He stated the Grumman surcharge be eliminated as of Sept 30 of 2008. He explained a refund will be given to those customers as of October 1st and would be given a cash refund and those customers who are not customers will have an application period of 60 days. An alternative sanitation fund to be used so the City does not fail the bond covenants. Any excess utility funds will be transferred to the utility fund in the interim.

Henry Thomas, Public Resource Management Group presented to the City their recommendations and a draft Water & Wastewater study and rate plan.

Murray Hamilton, Public Resource Management Group gave a brief summary and PowerPoint presentation to the Commission and public of the proposed rate structure for the City.

Vice Mayor Christie asked why does the City need the increase. He stated that what I am hearing is, the surcharge is going away 9/30/08, and the increase will happen.

Commissioner Hutchinson asked if the City does not connect to the County and we don't put in an RO plant, how many more units could we add before we cannot accept new applications.

Dave Peters stated 2011 based on the current growth plan.

Mayor Krauskopf was very interested in the IQ water system.

The Commission agreed on the moving forward to raise awareness to the large water users and get this information out to them right away for their budgeting purposes.

Pursue alternative #1, and continue to pursue the alternative water supply.

2. Presentation of the Comprehensive Annual Financial Report for fiscal year ended September 30, 2007.

Ron Conrad presented the report to the Commission anticipates receiving another excellence in financial reporting this year. The financial statement includes the audit of the financial statements themselves in addition we were looking at internal control and compliance aspects with regards to the financial statements. He noted the Management letter on page 107-109. He indicated there was one comment for disaster recovery plan. Also on page 101, Schedule of findings and schedule cost. No comments with respect to the CDBG Grant. He stated the maintaining of cash / assets are in good shape.

Mayor Krauskopf asked about the \$225,000.00 Landfill operation. He also asked when would the City be free from FEMA?

Dottie stated she has no idea and he stated the City is at the sixth level of review and has not started with the federal review.

3. Discussion of Mid Year Financial Analysis.

Dottie Zaharako gave a brief presentation to the City Commission regarding the mid year budget review. She indicated the City began with a deficit of \$403,000.00 at the first quarter and the Departments adjusted their budgets, and came up with \$416,000.00 of cuts. The revenue shortages increased a little bit and after that the projected loss, at the end of the year, is \$282,000.00. She stated the only changes in the report are: A proposal to fund 2 Police Officers out of the CRA, which is before legal council to review. This will be implemented hopefully by June 1, 2008 and is scheduled to be heard by the CRB in May. A few additional expenditures are documented in the report.

Mayor Krauskopf asked if the City had a recommendation regarding the cost associated with the FBI investigation toward the operation of State Board of Administration as reported in the newspaper.

Dorothy Zaharako stated she has been reading the SBA and the Board of Trustees have hired additional auditors to look into the transactions themselves.

MOTION: COMMISSIONER MORTELL; MOVED APPROVAL TO ACCEPT THE MID YEAR FINANCIAL ANALYSIS AUDIT REPORT.

SECOND: COMMISSIONER WAXLER
MOTION APPROVED UNANIMOUSLY

4. (1) Consideration of proposal by Ocean Gate General Contractors to lease and develop approximately 19 acres of the City's 60-acre Landfill Site and (2) discussion of City uses for the balance of the site.

Terry O'Neil gave a brief presentation to the Commission regarding the (1) proposal given to the City to lease and develop a 19 acres of the 60 acre landfill site. He felt Ocean Gates proposal was good for the City and they are reputable. The rent offer may be low and for all City lease transactions a property appraisal has to be done. He also requested a discussion for what to do with the balance of the City owned, old landfill site property.

Terry also stated the Greg Biday, Regional Planning Council may be available to address possible grant funds.

Mark MacDonald, Ocean Gate Builders gave a brief PowerPoint presentation to the Commission. He stated the proposed plan would be all Professional retail/Office Building and all Green building with inside RV storage. The project would be two buildings.

Commissioner Hutchinson expressed concerned over the one proposal and plenty of empty office space in the City. She also mentioned the possible grant money to study this site and the possibility this site could be used for something else. She felt at this time the City should look at the avenues of exploring the grant and see what the possible development could be. She was in favor of looking toward the grant to look at other uses for the site.

Commissioner Waxler asked about the outstanding permits or orders with DEP if any.

Terry O'Neil stated the only orders held for the site is groundwater issues. He stated the Tech Assistance grant is also unknown.

Mayor Krauskopf did not mind discussing the Ocean Gate proposal but felt the size of property to Ocean Gate should be smaller, he also asked about consolidation with FD.

Dan Hudson stated that if the consolidation between the County/City Fire Rescue happens the city would retain the Station 2 building and there would be no fire service out of the building.

Mayor Krauskopf requested looking into an opaque buffer for the property.

MOTION: COMMISSIONER MORTELL; MOVED APPROVAL TO BEGIN AN OPAQUE LANDSCAPE BUFFER ON THE PROPERTY.

City Manager Hudson stated he would bring that back before the Commission.

Mayor Krauskopf also wanted to look at if there is a match on the grant?

Greg Biday of the Treasure Coast Regional Planning Council stated the City would have to apply for the grant and at no matching to the local government as long as it is used for a public purpose and a redevelopment outcome that we support at the council.

Commission Mortell stated he did not want to be held hostage to repay the funds if the City decides to lease the property for a project that may involve RV storage. He stated that this was a Technical Assistance Grant and is a report as to what may be able to be built with options but

the city commission decision is final as to what can be built there. We are not going to claw back any money, if the city chooses to use the report or not.

MOTION: COMMISSIONER WAXLER; MOVED APPROVAL TO BEGIN TO APPLY FOR THE GRANT BRING THE APPLICATION BACK TO THE COMMISSION
SECOND: VICE MAYOR CHRISTIE

Commissioner Mortell expressed concern over the one proposal and that the City spent allot of time and money on this RFP. The presenter should be told if we want to look at his proposal at all because the grant doesn't allow what he has proposed.

Terry O'Neil staff is seeking to look at an abbreviated proposal to the front side of the street with a medium shorter term lease pursue the study with grant and try to parallel the two.

Commissioner Hutchinson stated the rfp did not included environmental cleanup and she did not want the city to be responsible to cleanup the property for this project.

Mr. Hudson stated the DEP regulates the property.

Greg Biday: The grant report states what you can do on that property; we are not going to prescribe anything. What you want to do on that site is your prevue. What we want to see on the site is we want to see positive outcome for the project.

ROLL CALL

MAYOR KRAUSKOPF	YES	COMMISSIONER HUTCHINSON	YES
VICE MAYOR CHRISTIE	YES	COMMISSIONER WAXLER	YES
COMMISSIONER MORTELL	NO		

Commissioner Mortell expressed concern over the proposed rfp on the table and the applicant should know where the city stands with the entire City owned land.

MOTION: VICE MAYOR CHRISTIE; MOVED APPROVAL TO BEGIN CONTINUE DISCUSSIONS WITH OCEAN GATE FOR PROPOSED OPTION #3 WITH THE STRIKE OF THE WORD EVERYTHING AFTER THE WORD "AND" IN OPTION 3.

SECOND: COMMISSIONER MORTELL

ROLL CALL

MAYOR KRAUSKOPF	YES	COMMISSIONER HUTCHINSON	NO
VICE MAYOR CHRISTIE	YES	COMMISSIONER WAXLER	NO
COMMISSIONER MORTELL	YES		

ADJOURNMENT: 12:33 PM

ATTEST:

Cheryl White, CMC, City Clerk

Jeffrey Krauskopf, Mayor

Minutes approved at the Regular Commission Meeting This 12TH Day MAY 2008