

**SPECIAL SESSION BUDGET WORKSHOP
OF THE STUART CITY COMMISSION
HELD ON JULY 14, 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
Financial Services Director: Dorothy Zaharako

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

Commissioner Mortell was unable to attend.

1. Review and discuss the proposed budget and millage for Fiscal Year 2008-2009.

Mr. Hudson announced that the City of Stuart has met and exceeded the tax reform guidelines and that the City is financially sound.

He referenced the millage rate charge on page 2, and that the city may increase the millage rate, if needed and three positions have been reduced

2. Review timetable for budget adoption.

City Manager Hudson reviewed the formal budget hearing dates to the Commission.

The Commission agreed to hold the next **budget workshop** for the City and CRA to be held on August 11, 2008 at 9:00a.m.

The Commission agreed to hold the **proposed budget** hearing on September 22, 2008 at 5:01 pm.

The Commission agreed to hold the **final budget** hearing on September 29th, 2008 at 5:01 pm.

Mr. Hudson presented the new reserves list for the Commission.

*90 day fiscal policy reserve continues to be funded.

*Hurricane Reserves use \$ 88,000 for hurricane hardening.

*Capital Replacement

Manager Contingency \$109,000.00

Reserves for legal funding \$75,000.00

Street Resurfacing \$110,000.00

He also recommended new reserves for leave accruals of \$100,000.00.

Dottie Zaharako gave a brief overview of the proposed budget. She added the spread in the ad valorem rates and if you will notice in the budget under the disclosure of the calculation of the Ad Valorem, on page 51

She stated the impact is listed, if the City leaves the Ad Valorem rate to the 4.3329 rather than going with the amount that is allowable under the tax reform. She added that in the classical calculation of the rollback where we disclose the current year proposed rate as a percentage of the rollback, this year will be a minus 12%. The City also received the final certification on Friday. The calculation of the Ad Valorem will be a \$58,000.00 adjustment, less ad valorem.

She stated that the impact to the City is \$741,000.00 and \$58,000.00, leaving the rate the same. She also stated the State of Florida Department of Revenue was late in issuing their numbers also. There may be a difference of \$27,000.00.

In the old rollback where we disclose the rollback the notice will be -12% ad valorem \$58,000 reduction is all based on the property appraisers numbers. Communications Service Tax is late difference \$27,000.00

Commissioner Hutchinson expressed concern over the CRB input on the CRA Budget.

City Manager Hudson thanked the city staff for their cooperation during this budget time.

Commissioner Hutchinson stated she has had several citizens approach her and request the City not raise taxes. She also asked if there were any major program or service being eliminated from the budget.

City Manager Hudson stated that probably in Parks /Recreation PT staff.

Mr. James McMahon came forward and expressed concern over the reduction in Recreation services. He felt the original comprehensive plan has been modified

to eliminate several projects earmarked for recreation. He also expressed concern over fees for recreational services and rentals.

Commissioner Hutchinson had several questions regarding the proposed budget,

Commissioner Hutchinson also requested each Commissioner reduce their salary by \$200.00 each and place it into a fund for the Mayoral duties to include travel expenses.

Several items were discussed:

Fireworks out of Commission budget and moved into the CRA Budget page 272.
Financial Services Contracts Administrator position frozen. She asked if the City will suffer financially, due to the elimination of this position.

Dottie Zaharako stated she did not think so because, the property management has been organized and in place. The position has become not a full time job at this time therefore it will be combined with the Inventory control analyst, and the Fiscal Assistant II.

Mayor Krauskopf requested a list of leased properties.

Commissioner Hutchinson also requested that the overall salaries be looked at with regards to increases and merit pays. She also requested details of special pay.

She requested that on page 199, the Fire Department to put them on the same program as the rest of the employees.

Hudson: The union contract is currently expired and the last agreement stays in place, because of the potential consolidation we have a mediation scheduled for September 11, 2008 to discuss this matter.

Commissioner Hutchinson asked why there was funds budgeted for Inspection services and special projects when we have a full time Building Official.

Attorney /Acting Development Director Nicoletti stated the building inspector cannot do all inspections some have to be inspected by someone other then the City and is a pass thru cost to the developer.

Commissioner Hutchinson questioned the travel & per diem cost associated with the Development Department.

Hutchinson asked for consultants list and their cost for the entire budget as a spread sheets.

Page 233 City Employee Picnics are too costly and asked that we use the funds from seacoast. She wants a line item for each of the public events as well as city events.

Historical Preservation into the CRA?

On page 271, she asked about the decorative fencing along Flagler.

Sam Amerson stated there was a section of fence that was missing and it is proposed to install fencing in those areas.

The Commission expressed concern over limited pedestrian crossing of the railroad tracks.

Commissioner Hutchinson asked about the amount for East Stuart Mainstreet, she requested the \$10,000.00 be move to a budget program line item so it does not appear we are just cutting them a check for \$10,000.00

She also requested the code be amended for Artwork.

Overall the City has come along way and the long term debt and save the money for the citizens.

Vice Mayor Christie also thanked the City Manager and staff for their efforts in preparing this year's budget. He wanted to respond to Jim McMahons comments by saying the City needs Recreation especially in these times we are in now. He also requested the City look at a community services concept.

City Manager Hudson stated he had received a concept plan from Recreation and suggested it be put in place prior to adoption of the budget.

Commissioner Hutchinson agreed.

Commissioner Waxler asked if the city was equitable for the use of it's facilities?

Mayor Krauskopf stated that he felt the City could move forward on the 4.2% COLA. He also asked about debt service cash flows. He did not know if it needed to be updated or not. The following questions and comments were asked;

Place the City Debt all on one sheet.

Cash Flow on the IQ system

Tab 46 is good but needs revenue Sheet

CRA, do we need a Director? If we are going to put money into personnel in the CRA, the ultimate charge of CRA is to show a spark of rejuvenation area.

Fire Inspector, If we are going to add a Fire Inspector we need specific goals with an outline of what has been completed.

If we elect not to merger with Martin County we need real numbers if Fire Rescue.

He requested specific dates on revenues for Northpoint & Southpoint. Properties. He also expressed concern over the city's needs to take a look at the stormwater fund. He also stated he has been asked why the Fire Truck goes everywhere? And why does it go to Publix at lunch? He thanked the employees for their support.

Commissioner Waxler stated there were two contingencies the City has no control over; Hurricanes and Judgments, She asked where the funds would come from if needed.

Attorney Nicoletti stated it may have to come from Property Management or the unbudgeted surplus of the City.

Commissioner Waxler thanked the City for their efforts and is proud of the City's financial situation.

ADJOURNMENT 10:45 am

ATTEST:

Cheryl White, CMC, City Clerk

Jeffrey Krauskopf, Mayor

Minutes approved at the Regular Commission Meeting This 11 Day August 2008