

**SANIBEL CITY COUNCIL MEETING
FIRST BUDGET HEARING
SATURDAY, SEPTEMBER 08, 2012**

Mayor Ruane called the meeting to order at 9:02 p.m.

Councilman Harrity gave the Invocation and led the Pledge of Allegiance.

Members present: Mayor Ruane, Vice Mayor Denham, Councilman Congress, Councilman Harrity and Councilman Jennings.

Presentation of Tentative Budget

City Manager and Finance Director's Memorandum and Update of changes in the Draft Budget

Ms. Edwards gave a brief PowerPoint presentation, which is attached.

- Millage rate 1.2398, which 3% less than the rolled-back rate
- Current tentative budget shows is slightly less than revenue taken in last year after the taxable property appraisal
- 1.2398 millage rate adopted July 17, 2012

Finalization of Council's goals for FY2012/2013 Budget

Ms. Zimomra read the goals for City Council and the audience.

Discussion ensued regarding the number one goal being financial stability, but the redevelopment goal helps the financial status of the City, redevelopment would help the commercial district, not being persuaded to add anything to the goals, as improvements were made assessed values increase, make certain to plan and forecast any capital improvements, water quality was important to the community, important to get citizens behind the water quality captains, Vice Mayor Denham spoke to reaching out to the community by having area captains to contact other people for contact with legislators, Mayor and Director Evans met with Commissioner Manning regarding expanding the fertilizer education program, should something be added relative to working with Lee County regarding fertilizer, a goal would be important to receive residents support regarding Council's initiative, Mayor Ruane meeting with Lee County Mayors, Vice Mayor Denham had a conversation with Randy Henderson, Ft. Myers Mayor regarding the environmental hole that would be left upon Ray Judah's leaving the County seat and initial conversations well received.

Vice Mayor Denham moved, seconded by Councilman Harrity, to adopt the goals as written.

Public Comment

None

The motion carried.

Discussion regarding Recreation Center Fund Balance

History of Fund Balance

Revenues

Expenditures

Staff Recommendations

Ms. Zimomra spoke to the following:

- Funds segregated as directed by Council
- Program enhancements would come from funds
- No fees at Recreation Center

- Fund Balance increased
- Council direction was to look at options for the fund balance
- Staff recommendation was to create sinking fund to pay for upgrades as necessary
- Fund accumulation after 5 years
- Estimated actual was \$900,000
- \$945,006 would go in to the sinking fund

Discussion ensued regarding a recreation center without fees was subsidized by residents, basic repairs subsidy would be used, questions was to establish a sinking fund and would continue to be a subsidy, residents subsidizing the bond, old recreation center could not be refurbished, problem with mold, great decision to build the Recreation Center, could put part of \$900,000 to pay off debt, establish debt, reduce subsidy, what does Council feel was an appropriate use for fund balance, GFOA recommend that fund balance be 17%, which would be approximately \$200,000, 17% of \$2,088,398 would be \$355,027, \$640,000 remaining, some funds to sinking fund and pay down debt, could add \$216,000 each year, Ms. Zimomra noted that staff would do an initial investment and should continue with depreciation, recommend an ending fund balance of \$250,000 to pay off debt, during construction residents concerned about cost, put \$500,000 in the sinking fund, \$250,000 would go toward reducing debt, Council's long-term goal was to decrease fixed cost, put 2 years aside and would still have reserves and would like to see schedule within all departments.

Public Comment

Steve Maxwell spoke to looking at a foresee ability analysis of unforeseen cost and review maintenance.

The motion carried.

Mayor Ruane spoke to the following:

- Consistent with goals to be prudent to have taxpayer pay less taxes, pay down debt and look at reserves to make sure they are adequate
- \$6.00 for the rolled-back rate
- To accept the rolled-back rate there would need to be a savings of \$147,000

Discussion ensued regarding taking the millage rate back to last year's rate, property values continue to decrease, 4% decrease with condos and 2% decrease in homes, 2.100 mills was \$162,000, could use funds to pay down debt, to pay down debt would be to further reduce fixed costs, when property values take a turn to there would be an opportunity to accelerate debt and interesting that Council only controls 15.9% of tax dollars.

Mayor Ruane moved, seconded by Councilman Congress, to direct staff come back with the necessary changes in the amount of \$162,442 to bring the millage rate to 2.100, to allocate 2-years of sinking fund in the amount of \$440,000, put \$260,000 in reserves for ending fund balance and \$300,000 toward debt.

Public Comment

Roy Gibson spoke to dealing with the realities of the economy and making less than six years ago, paying more for health insurance to cover his domestic partner, and the City pays for extra coverage for a spouse that had health insurance. He asked that Council stop the discriminatory practice that was inconsistent with policy and include coverage for domestic partners. He stated if there were funds in the budget for employee health insurance and was there a need to make any changes to allow this benefit.

Discussion ensued regarding not being able to discuss because of union negotiation, Ms. Zimomra noted that staff would defer to the labor attorney regarding the precedent and any legal requirements; she further stated that Council did recognize some years back domestic partners and employees have the option of purchasing health insurance, but the City did not allow the subsidy insurance, but the employee could purchase and Mr. Gibson asking for a change in policy.

Karen Storijohan spoke to forming an ad hoc group to review the County budget.

Mayor Ruane offered to sit down with Ms. Stori Johan and he would be speaking with Commissioners after the election due to expected changes.

Public Hearing and adoption of RESOLUTION 12-083 ADOPTING THE TENTATIVE OPERATING AND VOTED DEBT SERVICE AD VALOREM MILLAGE RATES FOR TAX YEAR 2012 FOR THE CITY OF SANIBEL, FLORIDA; DETERMINING THAT THE OPERATING AND AGGREGATE MILLAGE RATES DO NOT EXCEED THE MAXIMUM MILLAGE RATES PERMITTED BY CHAPTER 200, FLORIDA STATUTES, AND ESTABLISHING THE DATE, TIME AND PLACE FOR A FINAL HEARING TO ADOPT THE FINAL OPERATING AND VOTED DEBT SERVICE AD VALOREM MILLAGE RATES FOR TAX YEAR 2012

Ms. Zimomra read the title of Resolution 12-083. She noted the blank in Section 1 the blank should be filled with 2.1398 mills and the time was 10:53 a.m.

Mayor Ruane moved, seconded by Councilman Congress, to adopt Resolution 12-083.

Discussion ensued regarding not putting 2.100 mills in the blank at this time and Council would wait to lower the millage rate when staff brings back changes to the budget.

Mr. Cuyler noted that the City Clerk pointed out that there was a pending motion on the floor giving direction to staff to come back with specific information.

Mayor Ruane and seconder removed the motion to adopt Resolution 12-083.

Mayor Ruane moved, seconded by Councilman Congress, to direct staff come back with the necessary changes in the amount of \$162,442 to bring the millage rate to 2.100 and adopt Resolution 12-083.

The motion carried

Public Hearing and adoption of RESOLUTION 12-087 ADOPTING THE TENTATIVE BUDGET FOR FISCAL YEAR 2012-13 FOR THE CITY OF SANIBEL, FLORIDA AND ESTABLISHING THE DATE, TIME AND PLACE FOR A FINAL HEARING TO ADOPT THE FINAL BUDGET FOR FISCAL YEAR 2012-13

Ms. Zimomra read the title of Resolution 12-087. She noted that in the final whereas the blank should be \$37, 884,175 and time 10:00 a.m.

Mayor Ruane moved, seconded by Vice Mayor Denham, to adopt Resolution 12-087.

The motion carried.

Mr. Cuyler noted that the final budget hearing would be Tuesday, September 18, 2012 at 5:01 p.m.

There being no further business the meeting was adjourned at 10: 56 a.m.

Respectfully submitted by,

Pamela Smith, MMC
Sanibel City Clerk