

**SANIBEL CITY COUNCIL MEETING  
FINAL BUDGET HEARING  
TUESDAY, SEPTEMBER 18 2012**

Mayor Ruane called the meeting to order at 5:01 p.m.

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

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

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

Ms. Zimomra explained the following staff recommendations in priority order:

Expenditures

- Council directed staff to identify \$106,062 to reduce the millage rate
- \$67,500 two road projects near completion
- \$32,000 seating and carpeting for MacKenzie Hall
- \$5,000 mobile City app
- \$10,000 moving allowance to decrease in management staff turn over
- \$35,000 audio streaming and agenda automation
- Center4Life after Council discussion
- \$25,000 road maintenance due to amount of shell rock on hand

Revenue

- \$50,000 increase recreation revenue projections and amount to general fund

Discussion ensued regarding reducing the millage rate to 2.100, staff brought back recommendations, finalization of sinking fund and amortization of the 2006 recreation center general bonds eligible for redemption in 2016 and redeeming those bonds was \$245,000 and \$240,000 maximize interest savings requiring \$485,000 at a discount of 2% costing approximately \$327,000, need to pay down debt, Center4Life project, Ms. Zimomra noted that due to the redemption requirements on the bonds the funds would be put into debt service (sinking fund) and pay down in 2016, the aforementioned would meet Council's goal of paying down debt, put funds for 2-years in a sinking fund and reduce fund balance.

**Discussion and staff update regarding Council's previous direction regarding the Budget including options for Center4Life, 2401 Library Way renovations**

Discussion ensued regarding the need for a roof and what kind would work, a flat or hip roof, do not need an appraisal of the building, current value of building being \$800,000 and \$400,000 in left, do minor renovations, engage an architect for a hip roof and do something more in the future, does not make sense to install a roof that would last 30-years, what should be put in the building since the future was unknown, need in-depth needs assessment, minimal repairs at \$50,000 to \$60,000, look to the future for a new center and spend this year planning for the future.

Director Krawczuk noted the following:

- No immediate roof issues
- Water coming up through the fitness area floor should be explored
- Staff recommendation was to leave \$90,000 to \$100,000 in current year budget and carry forward for repairs and other unknown issues
- Look at increasing the size of the fitness room

- Currently have \$90,000 in the design fund for a architect

Mayor Ruane moved, seconded by Councilman Jennings, to direct staff to establish a sinking fund for two years, reduce the end fund balance and set aside for bond redemption redeeming approximately \$485,000 to pay down recreation center debt in 2016.

Public Comment

None

The motion carried.

Mayor Ruane moved, seconded by Vice Mayor Denham, to move \$90,000 that was allocated for architectural fees to Repair and Maintenance in Public Facilities to take care of the anticipated repair costs to the Centr4Life building.

Public Comment

None

The motion carried.

Discussion ensued regarding to lower the millage rate to 2.100, possibly receive a future reimbursement for \$90,900 spent for Tropical Storm Isaac, but would not receive, and Ms. Zimomra noted the statute requirement was to read the title of the resolution.

Mr. Cuyler advised that the statute does require reading the title of the resolution before discussion of the millage rate.

Director Edwards noted that by statute announcement must be made that the tentative millage rate was set at 2.1398, which was advertise, in the proposed budget and the proposed millage rate of 2.1398 was less than the rolled-back rate of 2.1511.

Discussion ensued regarding staff recommendations to cut more than \$106,062 in projects, Ms. Zimomra noted she had the most trepidation in cutting \$25,000 in road material because it was based on the current supply of shell rock and if reduce would have an impact in subsequent years, which was the lowest priority, reduce project by \$162,000, reduce the 2 road projects from \$67,500 to \$35,000, by removing the \$25,000 for road material that leaves \$508,000, the entire list equals \$224,500, remove \$25,000 equals \$199,500 plus \$400,000 minus the \$90,000 for the Center4Life leaving \$310,000 leaving, \$90,000 for Isaac needs to be subtracted and a list of items that could be eliminated in the amount of \$62,000 and have \$37,000 left over.

Public Comment

None

Mayor Ruane moved, seconded by Vice Mayor Denham, to direct staff to eliminate the following from the proposed budget:

- \$67,500 two road projects near completion
- \$32,000 seating and carpeting for MacKenzie Hall
- \$5,000 mobile City app
- \$10,000 moving allowance to decreased in management staff turn over
- \$35,000 audio streaming and agenda automation

increasing ending fund balance by \$199,500 needed \$162,440 in reductions and still need an additional \$37,060.

Public Comment

None

Director Edwards noted the items on the list noted below:

- \$67,500 two road projects near completion
- \$32,000 seating and carpeting for MacKenzie Hall
- \$5,000 mobile City app
- \$10,000 moving allowance to decrease in management staff turn over
- \$35,000 audio streaming and agenda automation

Would increase ending fund balance by \$199,500, removing the Center4Life from the budget further increases ending fund balance \$400,000, decreasing beginning fund balance by \$90,900 for Tropical Storm Isaac expenditures and then decreasing the millage rate to 2.1 was \$162,440, but 96% was budgeted due to the 4% early under collection allowance and further decreases to \$155,942 and increases ending fund balance to \$352,658. She further noted the 4% equaled \$6,498.

Discussion ensued regarding Center4Life had \$400,000 and move architect funds, \$90,900 short from Tropical Storm Isaac, reduce the \$400,000 by \$90,900 and have \$309,100 remaining, staff brought proposed changes in the amount of \$199,500, need \$162,440, but Director Edwards indicated that 96% was allocated and 4% for bad debt, which equals \$6,498, so the ending fund balance would be \$352,658, and Council had changed recreation center debt and direction to redeem \$485,000 in debt, reduced taxes, put \$352,658 in ending fund balance, as well as recognizing that staff would gather further information regarding Center4Life.

Mayor Ruane moved, seconded by Vice Mayor Denham, to roll forward \$24,550 in capital projects and increase FY13 beginning fund balance by \$24,550.

Public Comment

None

The motion carried.

Mayor Ruane moved, seconded by Vice Mayor Denham, to roll forward the reserves of \$1.3 million for environmental initiatives and \$4.5 million for the natural disasters and increase the FY13 beginning fund balance and reserve appropriations by \$5.8 million.

Public Comment

Roy Gibson thanked Council for lowering taxes and asked the amount of reserves being rolled-over. He asked what amount of that reserve was designated for the next 2 weeks for disasters.

Ms. Zimomra noted that the amount of \$5.8 was for all reserves, but Council could reappropriate funds if necessary.

Steve Maxwell spoke to not receiving a response or reply regarding his public records request of July 10, 2012 or the September request regarding the budget.

Mayor Ruane moved, seconded by Vice Mayor Denham, to set the millage rate at 2.1000.

The motion and second were withdrawn.

Mr. Cuyler asked the Mayor if he wanted the resolution titles read.

**Public Hearing and adoption of RESOLUTION 12-094 ADOPTING THE FINAL OPERATING AND VOTED DEBT SERVICE AD VALOREM MILLAGE RATES FOR TAX YEAR 2012 FOR THE CITY OF SANIBEL, FLORIDA**

**Public Hearing and adoption of RESOLUTION 12-095 ADOPTING THE FINAL BUDGET FOR FISCAL YEAR 2012-2013 FOR THE CITY OF SANIBEL, FLORIDA; AND PROVIDING AN EFFECTIVE DATE**

Ms. Zimomra read the title of Resolution 12-094 and 12-095. She further stated that in Resolution 12-094 Section 1 should be filled in to reflect 2.1000 mills at the time of 6:21 p.m. and in Resolution 12-095 the blank should be filled in with \$43,629,348 at the time of 6:22 p.m.

Mayor Ruane moved, seconded by Vice Mayor Denham, to adopt Resolutions 12-094.

**Public Comment**

Roy Gibson spoke to his previous request for supplemental insurance for his domestic partner. He requested that he be treated fairly and equitable and if the benefit was provided before, why not now. He further noted that he was not negotiating on behalf of City employees, but on behalf of himself because he was being persecuted. He approached the union, understands the legal opinion regarding labor negotiations, ASFCME had agreed to a contractual waiver on Mr. Gibson's behalf and no longer a legal impediment his understanding of said opinion and read from the opinion, "was that absent of contractual waiver in my opinion the City would commit an unfair labor practice by unilaterally modifying it's health insurance plan to include payment of premiums for the domestic partner health insurance benefit." He further spoke to the union representative sent a letter that says, "This will serve to notify the City of Sanibel that ASFCME is prepared to sign off on a waiver as stipulated in Wayne's reply to you regarding employee, City resident Roy Gibson's request to join health insurance coverage of his domestic partner."

Mayor Ruane thanked Mr. Gibson for his comments and noted that Council was somewhat handicapped because they rely on the legal opinion and would take the new comments to the outside attorney and ask for direction.

Ms. Gibson advised that the letter was sent to the City September 14<sup>th</sup> and he was not negotiating on behalf of the City, but asking for himself and does not pertain to any other employee. He continued to speak as follows as a victim of discrimination:

- Difficult to distinguish what ASFCME had asked for
- City Council promised that his representation of employees would not have repercussions
- Existing domestic partner coverage did not come about by labor negotiations
- When the City changed vendors the coverage was provided
- Subsequent to his representing employees during negotiations this coverage was taken away
- Done to be punitive and unfair
- Read an excerpt for the employment application
- Asked Council to right the wrong that only affect him
- Request had nothing to do with pension
- No Councilmember had contacted Mr. Gibson relative to his comments at the September 08, 2012 Council meeting
- No response to his comment relative budget issues
- Would like request be included in budget consideration
- Identified in the tentative budget sources that would cover the cost of requested benefit
- Unused funds in the employee insurance fund that could be used

Mayor Ruane noted that Council not aware of a benefit given and taken away and number in the phone book not aware a benefit was paid and would have financial implications if a new benefit was given, and would give to labor attorney.

Ms. Zimomra spoke to the following:

- Mr. Isom did receive the waiver on September 14, 2012 through email
- Not aware of any policy change
- Would like to confer with labor attorney
- Payroll records could be checked and no administrative policy change
- Other employee had domestic partners
- Never given an order that a benefit be taken away
- Have labor attorney to opine for October 02, 2012 agenda

Ms. Zimomra noted that this year there was an ending fund balanced due to changes in personnel and his reference was that balance and approximately for domestic partner was approximately \$6,000 and there are other employees that have a domestic partner with child and was in the \$10,000 amount; other persons that have other registered domestic partnerships, if look at policy and the greatest exposure and if there were other couples that have not registered would there be additional with domestic partners and would bring back to Council to budgetary implication.

Steve Maxwell spoke to serving the Lee County human relations committee and recommended City staff looks if other Lee County municipalities were covering the domestic partner.

Mayor Ruane noted that Sanibel was one of the few municipalities that pick up the cost for domestic partners. He noted there was never an agenda item relative to request, voted for special impasse was so employees would receive their benefits, phone number in the phone book and would gladly speak with any resident and any decision made by Council was for the island well-being.

The motion carried.

Mayor Ruane moved, seconded by Resolution 12-095 the blank should be filled in with \$43,629,348 at the time of 6:22 p.m.

Mayor Ruane asked who would cover the next MPO meeting and will not have a representation. Who would cover the October 10<sup>th</sup> and 12<sup>th</sup> Horizon meeting; Councilman Harrity, October 12 and Mayor Ruane, October 10<sup>th</sup>? Mayor Ruane had received an email regarding participating on a Horizon subcommittee on expanding business outreach and Councilman Harrity would cover the October 25<sup>th</sup> Planning Commission meeting.

Ms. Zimomra noted an invitation from the TDC Executive Director to participate in a long-range strategic planning and first meeting in October. Council agreed.

There being no further business the meeting was adjourned at 6:25 p.m.

Respectfully submitted by,

Pamela Smith, MMC  
Sanibel City Clerk