

9. **CONSENT AGENDA**

- a. Approval of minutes – September 06, 2008 First Budget Hearing, September 16, 2008 Regular Meeting and September 16, 2008 Final Budget Hearing

**SANIBEL CITY COUNCIL MEETING  
FIRST BUDGET HEARING  
SEPTEMBER 06, 2008  
9:00 A. M.**

Mayor Denham called the meeting to order at 9:00 a. m.

Vice Mayor Ruane gave the Invocation and led the Pledge of Allegiance.

Members present: Mayor Denham, Vice Mayor Ruane, Councilman Jennings and Councilmember Johnston.

Ms. Zimomra spoke to the following:

- 6 months ago Council began discussions
- Council adopted a mid-year budget amendments due to the changing economy
- Highest impact cost was containment of salaries at the current level for both unions and managerial staff
- Moderate increases at the Recreation Center and Beach Parking
- Building and Planning fees remain at the current level
- No new full-time employees
- Positions not filled through attrition as employees retire
- Included gas at \$5.50 per gallon and diesel at \$6.00 per gallon
- Recreation Center fees forecasted at \$100,000 (spend money as it comes in)
- Will only spend funds as paid not forecasted
- FY 2009 budget based on FY 2007 tax revenues
- Further impact would not be seen until 2010

**Presentation of Tentative Budget**

**Budget Presentation**

**Reports in Response to City Council requests for information**

**Summary of 5-year history of City Financial Reserves**

**FY 2008 Variations from Adopted to Amended Budget**

**Environmental Investments included in FY 2009 Budget**

**Comparative data per mile for maintenance of City Streets and Shared Use Paths**

**Proposed FY 2008 to FY 2009 Roll Forwards**

**Summary of Technology Enhancement Capital Improvement Projects and Priorities**

**Summary of Support Costs**

**City Council direction to Staff regarding Tentative Budget**

**Finance Director's Presentation**

Ms. Sylvia Edwards, Finance Director gave the following presentation:

She stated that the tentative millage rate was set on July 15, 2008 at 2.3355 equal to the rolled-back rate and would bring in revenue at \$11,460,191.

	Fiscal Year 2007-08		FY 2008-09
<i>Governmental Funds</i>	Adopted	Amended	Tentative

Operating Uses	\$27,681,203	\$31,581,188	\$29,148,717
Capital Uses	<u>5,710,097</u>	<u>10,268,943</u>	<u>5,608,097</u>
Total Gov't Funds:	\$33,391,300	\$41,850,131	\$34,756,814
<b>Enterprise Funds</b>	<u>7,014,827</u>	<u>9,070,433</u>	<u>5,769,764</u>
<b>TOTAL BUDGET:</b>	\$40,406,126	\$50,920,564	\$40,526,578

Ms. Zimomra stated the single largest revenue item were the funds from Lee County and Lee County School Board for the Recreation Center.

Budgeted Rate		Revenue Increase	
Operating Millage Rate		Operating Ad Valorem Revenue	
Fiscal Year		Tax Year	
2007	2.1966	2007-08	\$11,405,824
2008	2.3355	2008-09	\$11,460,191

Ms. Edwards explained that 2.3355 mills was equal to the rolled-back rate. She further stated that the rolled-back rate is the calculated millage rate which generates the same amount of Ad Valorem revenue as was received in the previous fiscal year. She also stated that if property values increase, not including new construction the rolled-back rate decreases and if property values decrease, not including new construction the rolled-back rate increases.

Rolled-back rate calculated

2007 Property Values:	\$5,196,712,970
Times 2007 Mill Rate	<u>x 2.1966</u>
FY2008 (current year) Revenue	\$11,405,824
Divided by 2008 Property values without new construction	<u>\$4,887,593,016</u>
Equals 2008 Rolled-back Rate	2.3355

This is the rate established by Resolution 08-082 at the July 15, 2008 Council meeting.

Tax Rate and Required Vote

- Pursuant to Section 200.185, Florida Statutes
- Maximum Millage Rate permitted to be levied is:
  - Majority Vote of Council      Rolled-back rate      2.3355

Resolution 08-082 adopted by City Council on July 15, 2008, approved this rate which may be lowered but may not be increased.

Change in Gross Property Values

- **Property Value Change Lags Market Value Change**

- Property Values for FY 09 budget are based on January 1, 2008 values established by property sales during calendar year 2007
  - Value on January 01, 2007 (FY 08) \$5,196,712,970
  - Value on January 01, 2008 (FY 09) \$4,906,954,080
- The 5.58% decrease in property values from FY 08 to FY 09 reflects sales during calendar year 2007
- Current year (2008) sales trends will be reflected in 2009 property values and impact FY 2010's bottom line

Comparative Millage Rates

• <b>CITY OF SANIBEL</b>				<u>2008</u>
– Tax Year				
		<u>2007</u>	<u>Budgeted</u>	<u>Rolled-Back</u>
• Operating Millage	2.1966	2.3355	2.3355	
• Voted Debt-Land Acq	0.0456	0.0483	0.0483*	
• Voted Debt-Sewer	0.2346	0.2636	0.2636*	
• Voted Debt-Rec Ctr	<u>0.1011</u>	<u>0.1080</u>	<u>0.1080*</u>	
– TOTAL	2.5779	2.7554	2.7554	
– Voted Debt-Sewer set at .3158 on July 15, 2008, Resolution 08-082. The 1998 referendum capped the ad valorem taxes available for sewer debt at \$20.4 million. The maximum millage for FY 09 is .2636.				

She stated that the voted debt service was calculated by taking the required funds to cover the debt service and dividing by the tax base to generate the required millage rate that would need to be set.

She spoke to an initial error in the voted debt sewer rate. She explained that the State Revolving Loan was taken for Phase 3B and in the past 50% was taken from Ad Valorem and since the sewer debt service was \$20.4 only 14.5% could be levied rather than 50%.

Average Residential Taxes Paid to City of Sanibel

	2007	2008	
		Budgeted	Operating Rolled Back
Average Residential ax Value	\$645,827	608,442	608,442
Operating Millage	2.1966	2.3355	2.3355
Average Tax Dollars Paid	\$1,418.62	\$1,421.02	\$1,421.02
Voted Debt – Sewer	0.2346	0.2636	0.2636
Land	0.0456	0.0483	0.0483
Rec Center	<u>0.1011</u>	<u>0.1080</u>	<u>0.1080</u>
<b>TOTAL</b>	<b>0.3813</b>	<b>0.4199</b>	<b>0.4199</b>
Average Tax Dollars Paid	\$ 246.25	\$ 255.47	\$ 255.47



Voted Debt Service Millage Levy-Land Acquisition – Pond Apple Park

Tax Year	Millage	Revenue
2003	0.0595	\$238,208
2004	0.0625	\$264,000
2005	0.0611	\$250,000
2006	0.0475	\$237,000
2007	0.0456	\$237,000
2008	0.0483	\$237,000

Voted Debt Service millage Levy – Recreation Center

Tax Year	Millage	Revenue
2006	0.1145	\$570,855
2007	0.1011	\$525,000
2008	0.1080	\$530,000

Other Taxes

	FY2008	FY2009
Local Option Gas Tax	\$1,580,227	\$1,250,000
Casualty Ins. Premium	47,000	50,726 (previous year's collection)
Communication Tax	592,880	500,000 (audit on state funds)
Business Tax Receipts	<u>285,000</u>	<u>285,000</u>
<b>TOTAL</b>	<b>\$1,505,107</b>	<b>\$2,085,726</b>

License & Permits

Building Type Permits	\$ 687,650	\$ 507,602
Dog & Other Licenses	4,600	7,600(increase in Special Events)
Franchise Permits	<u>905,739</u>	<u>905,739</u>
<b>TOTAL</b>	<b>\$1,597,989</b>	<b>\$ 1,420,941</b>

Intergovernmental Revenue

	FY2008	FY2009
FEMA Hurricane Grants	\$268,232	-0- (Hurricane Wilma)
State Revenue Sharing	153,486	126,000
Alcoholic Beverage Tax	16,157	15,000
Half-cent Sales Tax	525,160	409,430
Other Gov't'l Shared Rev	13,000	12,500 (Previous year collection)
Municipal Solid Waste	45,000	45,000 (Previous year collection)
Payments in Lieu of Taxes	148,000	143,500 (Previous year collection)
Contracts & Grants	<u>1,862,054</u>	<u>899,001</u> (Existing grant awards)
<b>TOTAL</b>	<b>\$3,031,982</b>	<b>\$1,650,431</b>

Charges for Services

General Gov't Charges	\$268,814	\$279,200
Public Safety Charges		

Police Services	25,000	27,000
Building Dept. Fees	6,095	6,095
Solid Waste Tip Fee	243,750	200,000
Culture/Recreation Charges	274,240	100,000
Indirect Cost Charges to Other Funds	<u>1,298,271</u>	<u>1,050,000</u>
<b>TOTAL</b>	<b>\$2,124,170</b>	<b>\$1,662,795</b>

Ms. Zimomra explained that this was considered overhead and was charges paid for work done within other departments.

#### Fines & Forfeitures

Court Fines	\$48,884	\$46,500
Local Ordinance Fines	<u>32,100</u>	<u>21,300</u>
<b>TOTAL</b>	<b>\$80,984</b>	<b>\$67,800</b>

#### Miscellaneous Revenue

Interest	\$529,941	\$445,798
Rents & Royalties	24,245	17,614
CHR Rents	50,000	50,000 (Per contract)
Contributions	479,121	1,500 (FY08 Periwinkle Phase 3)
Impact Fees	37,653	21,500 (current year collection)
Special Assessments	17,100	17,100 (per project terms)
Other Misc	<u>110,444</u>	<u>64,455</u> (current year collection)
<b>TOTAL</b>	<b>\$1,248,504</b>	<b>\$617,968</b>

Ms. Zimomra explained that the single largest payment under other miscellaneous was for insurance premiums state contributions paid to police pensions.

Ms. Edwards explained Beginning Fund Balance as the carry-forward of the prior year's planned ending fund balance, plus/minus revenues/expenditure variances. It is also capital projects that span fiscal years or capital projects budgeted in a prior year but not begun in that year. She also stated that 17% of the General Fund operating expenditures were used to meet operational expenditures for the first month of the fiscal year until the Ad Valorem tax revenue was received in early December.

Beginning Fund Balance	Operating	Capital	Total
FY 08	\$13,911,926	\$5,706,340	\$19,707,466
FY 09	\$12,268,537	\$3,410,449	\$12,678,986

#### Reserve for Undercollection

- Recognize that taxpayers take advantage of the discount for paying ad valorem taxes in months of November through February
- \$655,026 was reserved in the FY 09 Operating Budget

Ms. Zimomra explained that the categories were established by the state.

Uses of Governmental Funds

Culture/Recreation	8.0%
Physical Environment	3.5%
Human Services	0.0%
Economic Environment	0.7%
Public Safety	13.7%
General Government	13.4%
Capital Projects	14.7%
Operating Revenue	16.3%
Estimate Ending Fund Bal.	17.5%
Long-term Debt Redemption	3.9%
Transportation	6.2%

Departmental Overviews:

General Government

	FY2008	FY2009
Legislative	\$344,434	\$303,300
Administrative	826,550	766,541
MIS	789,228	747,465
Finance	918,385	846,595
Legal	736,823	649,260
Planning	1,336,706	954,555
Insurance	<u>425,808</u>	<u>402,671</u>
<b>TOTAL</b>	<b>\$ 5,379,387</b>	<b>\$4,671,287</b>

Public Safety

Police	\$4,076,974	\$4,152,562
SEMP	72,140	25,100
Building	653,407	601,212
Tropical Storm Fay	100,000	-0-
DCA Grants	<u>25,870</u>	<u>-0-</u>
<b>TOTAL</b>	<b>\$4,928,391</b>	<b>\$4,778,874</b>

Physical Environment

Garbage-Recycling	\$141,124	\$ 92,320
Natural Resources Mgt	467,905	409,124

Algae Research Grant	769,082	729,082
Environmental Defense Fund	<u>108,552</u>	-0-
<b>TOTAL</b>	<b>\$1,486,663</b>	<b>\$1,230,526</b>

	FY2008	FY2009
Transportation		
Public Works	\$2,248,587	\$2,140,373

Economic Environment

Below Market Rate Housing		
Operating Expenses	\$ 5,500	\$ 4,500 (per CHR contract)
CHR Administrative Exp	240,000	247,616 (per CHR contract)
Hurricane Wilma	<u>268,000</u>	<u>-0-</u>
<b>TOTAL</b>	<b>\$514,136</b>	<b>\$252,116</b>

Culture/Recreation

Recreation Center Oper.	\$2,079,940	\$1,546,561
Public Facilities	559,286	574,750
Seniors	133,060	127,219
Performing Arts	11,400	11,000
Historical Community	194,008	179,852 (per the agreement)
SW Fl Community Funds	1,453	1,000 (grants funds expended)
Ball Park maintenance	<u>372,876</u>	<u>328,543</u>
<b>TOTAL</b>	<b>\$3,350,570</b>	<b>\$2,767,925</b>

Ms. Zimomra noted that the funds for the Historical Community was for the in-house maintenance cost, such as cutting the yards. She also spoke to the Interlocal Agreements with the School Board and Board of Commissioners for one-third of the costs of maintenance of the ballfields.

Debt Service

	FY2008	FY2009
1997 \$1.25 Million Paulsen Property	\$120,260	\$120,686
2002 \$2.85 GO Bonds Pond Apple Pk	241,085	238,525
1979 \$3.19M Gulfside Pk	187,477	187,877
2008 \$44,817 Backhoe lease	-0-	11,412
2006 \$8.35 GO Bonds Rec Center	\$506,200	505,200
Below Market Rate Housing Debt	<u>324,422</u>	<u>295,009</u>
<b>TOTAL</b>	<b>\$1,379,444</b>	<b>\$1,358,709</b>

Capital Projects

Management Info System	\$625,548	\$503,109
Police	522,464	177,000
Natural Resources	1,005,393	470,000
Recreation	2,393,109	-0-
Public Works/Parks	<u>4,364,128</u>	<u>3,972,740</u>
<b>TOTAL</b>	<b>\$8,910,642</b>	<b>\$5,122,849</b>

#### Operating Reserves

Reserve for Contingencies – General Fund	\$ 275,000
Reserve for Contingencies – Recreation Center	50,000
Reserve for Environmental Initiatives	1,200,000
Reserve for Classification Adjustments	6,997
Reserve for Insurance Deductibles	315,000
Reserve for Disasters	<u>4,500,000</u>
<b>TOTAL</b>	<b>\$6,346,997</b>

#### Ending Fund Balance

17% cash flow requirement	\$2,105,000
Reserved FB for 3 <sup>rd</sup> year Sewer Repay	(350,000)
Designated for Special Revenue Funds	1,509,443
Designated for Debt Service	517,740
Designated for Capital Project Funds	485,248
Unreserved, undesignated (available for appropriation in Subsequent fiscal year)	<u>1,818,569</u>
<b>TOTAL</b>	<b>\$6,086,057</b>

#### Enterprise Funds

Sewer System	FY2008	FY2009
User Fees	\$5,167,700	\$5,428,500
Fines & Penalties	15,000	12,000
Sale of Treated Effluent	139,000	160,000
Miscellaneous (Interest)	605,000	334,000
Capital Contributions	30,000	15,000
Ad Val Tax-Voted Debt Service	1,218,025	1,293,303
Grants/Debt Proceeds/Assmts	310,947	-0-
Reserve for Undercollection	(48,721)	(64,655)
Beginning Balance & Reserves	<u>(1,114,357)</u>	<u>(2,683,242)</u>
<b>TOTAL</b>	<b>\$6,323,194</b>	<b>\$4,494,896</b>

#### Voted Debt Service

Ms. Edwards explained that in 1998 a referendum was approved that authorized the issuance of up to \$20.4 million dollars in debt, which was financed by Ad Valorem taxes to reduce the assessments charged to benefiting property owners in the Sewer Expansion Project.

2007	0.2363 mills	\$1,177,625
2008	0.2346 mills	\$1,218,025
2009	0.2636 mills	\$1,293,303

#### Use of Funds

Sewer Systems	FY2008	FY2009
Operations	\$3,567,774	\$3,544,117
Reuse expenses/grants	35,757	-0-
Expansion Projects	613,756	350,000
Vehicles & Equipment	849,156	497,400
Inflow & Infiltration	250,000	250,000
Odor Control	160,000	240,000
Paint Donax Facility	-0-	50,000
Reuse Tank Rehabilitation	-0-	112,000
Debt Service	4,398,064	4,270,529
3 <sup>rd</sup> Year Repayment to GF	350,000	250,000
Disaster Reserve	120,000	200,000
End Bal/Use of Reserve	<u>(4,333,211)</u>	<u>(5,369,150)</u>
<b>TOTAL</b>	<b>\$6,323,194</b>	<b>\$4,494,896</b>

#### Beach Parking

##### Sources of Funds

Beginning Balance Forward	\$212,468
Beach Parking Permits	70,000
Parking Fees (\$2.00 per hour)	920,000
Parking Violations	100,000
Reserve for Undercollection	(27,600)

##### Uses of Funds

Personal Services	\$945,792
Operating Expenses (including Indirect costs)	1,078,212
Capital Outlay	230,000
<b>Estimated Ending Balance</b>	<b>\$(979,136)</b>

Ms. Edwards stated that the City expects to receive a grant for the negative balance.

Ms. Edwards stated the budget was funded at the rolled-back rate of 2.3355 mills

- As presented, the budget is funded at the rolled-back rate of 2.3355 mills
- Taxes paid to Sanibel by the average taxpayer at the rolled-back rate are \$1,676.49
- The budget reduces staff positions by 3FTE's
- The General Fund reserve for disasters is increased by \$400,000 to \$4,500,000

#### Public Comment

Doug Dietrich stated that several of the charts had the percentage miscalculated.

Discussion ensued regarding thank staff for the presentation, Ms. Zimomra stated this was the first of two public hearings and any changes would be brought back on September 16, 2008.

Discussion ensued regarding tough economic times, 6.1% unemployment, all revenues would be decrease next year, tentative millage rate adopted at 2.3355, need to go to 2.1966 mills cutting an additional \$700,000, need to take a variety steps to reduce the budget, should lease the requested street sweeper, eliminate the funds to purchase environmental sensitive lands of \$200,000, take further staff reductions, eliminate the Police Department patrol SUV, may not have enough money to fund an emergency, prudent to review adjustments on a quarterly basis rather than bi-annual, decrease reserves by \$200,000, salaries would need to be considered, and review revenue, would need to continue to adjust the budget, Capital funds available for parks at \$5 million, Ms. Zimomra stated that was all Public Works and zero for parks, Francie Slain spoke to the funds in reserve had been allocated for special projects and the 17% fund balance policy, for the end of FY 08 for the beginning of FY 09 was \$5.59 million for unreserved funds, Ms. Zimomra stated that under Florida law the beginning fund balance was the main revenue stream, need to reduce the budget by another \$700,000, \$1.2 million for environmental initiatives, \$470,000 within Natural Resources was for managing land and was in the operating budget, \$1.2 in reserves, cut \$200,000 for environmental initiative reserve, Ms. Zimomra stated the fund was establish for additional legal funds for water, water education, removal of beach algae, and all mentioned was the basis to increase the fund, \$200,000 was outside the \$1.2 million, excess reserve was not necessary, should leave the \$200,000 in environmental lands and take the \$200,000 from reserve, \$106,000 for a sweeper and should lease, cut \$200,000 from the disaster fund, 5% cut across the board on printing and copying, \$30,000 cut for PD SUV, \$50,000 to improve the intersection of San-Cap Road, Mr. Castle spoke to discussion of re-doing the intersection of Periwinkle Way, Causeway and Lindgren Blvd and the \$50,000 was for that project, Council complimented Mr. Castle on budget control, Mr. Castle spoke to the curbing at Tahiti/San-Cap and could wait, Periwinkle Way landscaping project had \$172,000 carry-over and could \$50,000 be removed, Ms. Zimomra stated there was a re-imbursable grant and if reduced it would reduce the grant, she stated that there was contract signed based on Council's previous direction, \$100,000 grant match for SFWMD grant and where did that fit for essential, Mr. Castle stated that this was \$45,000 and \$55,000 would off-set the City's share and was for Sanibel River clearing and water quality, was there a grant for sewer and Mr. Castle stated yes, should not reduce road improvements and shared use path improvements, Councils' goal should be better communication, need to install monitors in MacKenzie Hall for the public and laptops for

Council, delay solar panels for Community Park Restrooms in the amount of \$2,500, could delay \$45,000 for hybrid surveying van, delay police department air conditioning for \$295,000, delay solar collector for City Hall for \$45,000, 75% of funds refunded for the offshore red drift algae research, Council should be concerned over the current water releases, \$1.2 million reserves for red drift algae, stay at the 2.3355 millage rate, \$700,000 should be moved to another place in the budget, reduced taxes last year, overall taxes were not being increased with 2.3355 mills and property values decreased, should define position of bad times, citizens want clean healthy beaches, options for serve reduction and included was staff reductions, which must be done, July budget was weighted in overhead without sufficient production, future depends on cutting established costs, \$700,000 should be put aside for clean beaches and emergency response in the reserve line item, staff reductions were brought forward by the City Manager, Ms. Zimomra stated that staff reductions were provided in case further reductions were wanted by Council, Ms. Zimomra stated that the proposed staff reduction would not impact resident services, Council allowed a budget increase as reflected in the amended budget, reviewed the adopted and proposed budget, MIS budget had a 40% increase within one-year and capital projects also increased, staff reductions always difficult, hold off staff reductions and consider later in the year if needed, need to reduce MIS budget by \$300,000 and move funds to Environmental Initiatives for red drift algae, Ms. Zimomra stated that with staff changes adjustments to the budget would not be the \$300,000, need to reduce the budget by \$700,000 without staff cuts, if the budget were cut the savings should be to residents not put funds in another line item, save \$700,000 and place in trust to save taxpayer money, some staff would retire saving the City money through attrition, and could reduce staff as employees retire.

Council recessed at 11:13 a. m.

Council reconvened at 11:23 a. m.

#### Public Comment

Doug Dietrich spoke to Council agreeing on leasing the street sweeper and the City had treasury bills at 2%, but the leasing was at 6%.

Ms. Zimomra stated the 6% leasing was the reason staff did not recommend leasing the street sweeper.

Karen Stori Johann spoke to prevention of costly expenditures, but need to take care of basic infrastructure. She heeded Council review where cuts were taken and the \$55,000 expenditures for grant writers recommended being cut, but brought in \$695,000.

David Bath spoke to the difficulty of an adopted and amended budget, as well as the proposed budget level with the current budget. He spoke to his agreement of \$600,000 being cut from the budget. He also spoke to the need for actuarial data for both pensions.

Herb Rubin spoke to residents understanding that there was a charge for City services. He also spoke to his arguments for environmental improvements, but if hybrid vehicles removed, non-hybrid vehicles should not be purchased.

Steve Maxwell spoke to the use of zero-based budget and a performance-based budget. He suggested the budget document showing performance-based explanations. He asked Chief Tomlinson vehicles were required during accreditation.

Chief Tomlinson answered that if the needed vehicles were hybrid it certainly could be purchased.

Ms. Zimomra stated that since trends were being kept by departments trend analyses were included.

Wayne Ponader agreed with Council's discussion and if project were cut, staff should be cut. He also spoke to the need for a hiring freeze. He also agreed with the need for an actuarial evaluation of the pension plans.

Ms. Zimomra stated that for about 18 months there had been a hiring freeze. She also spoke to the pay plan coming to Council a recommendation for lower salaries for hiring recreation staff.

Council had consensus on removing the following:

- \$200,000 environmental sensitive land
- \$106,000 Lease street sweeper rather than purchase
- \$50,000 for Lindgren/Periwinkle Way/Causeway Boulevard engineering
- \$70,000 for Tahiti/San-Cap Road intersection curbing
- \$6,500 (5% decrease of copying and printing)
- \$57,000 2 PD vehicles
- \$47,500 City Hall solar collectors
- \$2,500 for solar panels for Community Park restrooms

**TOTAL \$524,000**

Discussion ensued regarding the need for a more elaborate disclosure and a document on a quarterly basis that shows adopted budget amendments, budget amendments/changes did not affect the Ad Valorem tax, but reflect other revenue sources, transferring money from reserves make an impact, available for appropriations \$1.8 million in subsequent year, could take \$700,000 from reserve and reduce millage rate, when looking at staff reductions assuming that most were retirements or not needed, irresponsible not to look at staff when projects were cut, there was staff that was unnecessary, no increase in population, consequences for next year, and if the City Manager brings to Council a lists of positions at the mention of cutting employees that does not injure the community it must be considered, Ms. Zimomra stated the positions were chosen based on the minimum impact on service delivery, departmental slow-down and retirement was not a factor, plenty of room within the budget to accomplish the level of millage as not to reduce staff, before staff was reduced the implications need to be provided to show the delivery impact, Ms. Zimomra stated that the positions were selected based on the impact of a minimum of service delivery and retirement was not considered, important to review staff age as it pertains to pensions, already been reduction on staff, added to new Recreation Center, Ms. Zimomra noted on

page 90 trend analysis was provided, if someone retires with no replacement that would be a staff reduction, as revenues and taxes decline choices would be hard to make in the upcoming budget years, Council asked for additional information before cutting staff,

Ms. Zimomra reviewed the list of reductions that Council agreed upon as follows.

- \$200,000 environmental sensitive land
- \$106,000 to lease street sweeper rather than purchase
- \$50,000 for Lindgren/Periwinkle Way/Causeway Boulevard engineering
- \$70,000 for Tahiti/San-Cap Road intersection curbing
- \$6,500 (5% decrease of copying and printing)
- \$57,000 2 Police Department vehicles
- \$47,500 City Hall solar collectors
- \$2,500 for solar panels for Community Park restrooms

**TOTAL \$531,000**

Mr. Cuyler stated a tentative millage must be set today and final millage set on September 16<sup>th</sup>.

Discussion ensued regarding not meeting \$700,000, but only \$524,000, possible reduction of \$200,000 in disaster line item, could direct City Manager to find the difference in the \$524,000 and \$700,000 and review the \$1.8 million not appropriated with recommendations, Ms. Zimomra asked if staff adjustments were included.

Mr. Cuyler advised that the tentative millage rate must be adopted in the resolution today.

Councilmember Johnston made a motion, seconded by Mayor Denham, to direct staff to include the above-mentioned items totaling \$531,000 and find the difference in \$531,000 to \$700,000 using non-appropriated funds, MIS and review other items for reduction as necessary and bring back to Council on September 16<sup>th</sup>.

The motion carried with Councilman Pappas and Councilman Jennings voting in opposition.

**Public Hearing and adoption of RESOLUTION 08-127 ADOPTING THE TENTATIVE OPERATING AND VOTED DEBT SERVICE AD VALOREM MILLAGE RATES FOR TAX YEAR 2008 FOR THE CITY OF SANIBEL, FLORIDA; DETERMINING THAT THE OPERATING AND AGGREGATE MILLAGE RATES DO NOT EXCEED THE MAXIMUM MILLAGE RATES PERMITTED BY SECTION 200.185, FLORIDA STATUTES, AS CREATED BY CHAPTER 2007-321, LAWS OF FLORIDA, 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 2008**

Ms. Zimomra read the title of Resolution 08-127.

Councilman Jennings made a motion, seconded by Vice Mayor Ruane, to set the millage rate at 2.3355.

Mr. Cuyler stated the adoption of Resolution 08-127 was at 12:30 and there would be a final budget hearing on September 16, 2008 at 5:01 p. m.

The motion carried.

**Public Hearing and adoption of RESOLUTION 08-128 ADOPTING THE TENTATIVE BUDGET FOR FISCAL YEAR 2008-09 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 2008-09**

Ms. Zimomra read the title of Resolution 08-128.

Mr. Cuyler explained the adoption of Resolution 08-128 was at

Mayor Denham made a motion, seconded by Vice Mayor Ruane, to adopt Resolution 08-128.

Public Comment  
None

Discussion ensued regarding Council reaching consensus

The motion carried.

There being no further business the meeting was adjourned at 12:31 p. m.

Respectfully submitted by,

Pamela Smith, CMC  
City Clerk

**SANIBEL CITY COUNCIL REGULAR MEETING  
SEPTEMBER 16, 2008**

Mayor Denham called the meeting to order at 9:01 a. m.

Councilmember Johnston gave the Invocation and led the Pledge of Allegiance.

Members present: Mayor Denham, Vice Mayor Ruane, Councilman Jennings, Councilmember Johnston and Councilman Pappas.

**PRESENTATION(S)**

**Proclamation proclaiming September 27, 2008 as National Estuaries Day**

Mayor Denham read the proclamation and noted that it would be mailed.

Councilman Jennings mentioned Estero Bay not having a license plate where a portion of the proceeds go to caring for Estero Bay, but Tampa Bay did have a license plate.

**Public Comments**

None.

**Council Comments**

Mayor Denham reflected on the plight of Texas residents in the aftermath of Hurricane Ike.

**Planning Commission Report**

Commissioner Tom Krekel gave the following report of the September 9<sup>th</sup> Planning Commission meeting as follows:

- Consider a permit to extend temporary use of medical center, but with only 4 members present and Commissioner Valiquette recused himself it would be considered on September 23
- Mr. Cuyler stated that there was a rule that if there was no voting quorum the subject would be postponed
- A resolution to deny the Mims application was a tie and postponed until September 23<sup>rd</sup>
- Considered a variance at 1141 Paper Fig Court to rebuild a dock – passed unanimously
- Special Meeting of the Land Development Committee on September 2<sup>nd</sup> regarding Section 86-43 discussion (floor area ratio), and the next meeting September 23<sup>rd</sup>

Mr. Cuyler stated that the various floor area threshold were review threshold.

Discussion ensued regarding understanding not to make an arbitrary ordinance.

**CONSENT AGENDA**

Council pulled items (b), (c), (d), (e) and (g).

- b. Background memorandum regarding deflation of City of Sanibel pay ranges
- c. **RESOLUTION 08-116 APPROVING THE RESULTS OF THE ANNUAL JOB AUDITS CONDUCTED TO ENSURE COMPETITIVENESS IN THE LABOR MARKET AND TO RECOGNIZE SPECIFIC POSITION CHANGES IN DUTIES AND RESPONSIBILITIES; ADOPTING REVISED JOB DESCRIPTIONS TO REFLECT CURRENT JOB DUTIES; ESTABLISHING**

**PAY RANGES FOR ALL JOB CLASSIFICATIONS; AUTHORIZING THE CITY MANAGER TO AMEND JOB DESCRIPTIONS AS NECESSARY TO KEEP SUCH DESCRIPTIONS CURRENT; AND PROVIDING AN EFFECTIVE DATE**

Ms. Zimomra read the title of Resolution 08-116. She explained that every year a position audit was conducted to see if duties and training was applicable to the job being done, and routinely complete a regional competitiveness salary audit. She further explained that several years ago salaries were increased to match the market, but this coming year salaries would continue at the same level. She explained staff recommends that the salary band would be lowered by 15% for all positions.

Mr. Cuyler stated that attachments a and b were in the Council packet, but not attached to the resolution.

Mayor Denham made a motion, seconded by Councilmember Johnston, to adopt Resolution 08-116.

The motion carried.

Discussion ensued regarding employees performing work that other municipalities contract out, Ms. Zimomra stated that a number of services were contracted services.

- d. Approval of staff recommendation to decline the offer to purchase windstorm, hail and storm surge insurance coverage for the Fishing Pier, boardwalks and dune walkovers from the Florida League of Cities at a cost of \$64,475.57 for fiscal year 2008-2009

Ms. Zimomra stated that this was a new offering by the Florida League of Cities and staff had evaluated to offer and recommended against the purchase.

- e. Accept the ranking of the selection committee and authorize the City Manager to enter into contract negotiations with Tetra Tech for a 3-year as needed contract for Wastewater Engineering Services (including renewing the Wulfert and Donax Operating Permits Renewal, Re-use Studies, additional Noise and Odor Control Studies, and Return Activated Sludge Studies) (\$110,000 is budgeted in the FY 08-09 budget for this work)

Ms. Zimomra stated that every other year a contractor was hired to perform as needed work. She further spoke to the upcoming permit renewal for both sewer plants.

- g. Approval of a tri-party sublease agreement between the City of Sanibel, Verizon Wireless Personal Communications, LP d/b/a Verizon Wireless and T-Mobile South, LLC, under which the City will receive rental revenues from a sublease between Verizon Wireless and T-Mobile for existing space on the telecommunications monopole located at the City's Wulfert Reclamation Plant property (2222 Wulfert Road) (such agreement required by the original land lease agreement between the City and Verizon Wireless), and authorize the Mayor to execute such agreement

Mr. Cuyler stated at the Wulfert Plant telecommunications site property was leased by Verizon with federal requirements for rental. He further stated that there were four spaces on the tower with Verizon having the first space, the second site would be the City, third was AT&T, and the 4<sup>th</sup> spot would be T-Mobile.

Discussion ensued regarding areas with no service, problem if phones go out in those areas with medical needs, Ms. Zimomra spoke to Council reviewing telecommunications sites, updating possible telecommunication site and gaps in service being on the east end, a company would need to approach the City regarding the east end site, pursue an application, meet the code, and come to Council, Mr. Cuyler stated that T-Mobile would help with gaps, he asked how many gaps were noted on the island, Ms. Zimomra stated that the stronger the signal the more users affected, second post on tower was held for

public safety, how extensive was the safety problem on island, Ms. Zimomra stated that there were complaints from the west end, which had decreased due to the placement of the tower at the Wulfert Plant, depends on carrier, should staff draft a letter and identify private carriers with the potential need, Council by consensus agreed to send a letter to carriers with island telecommunication needs.

a. Approval of Minutes – September 06, 2008 Regular Rescheduled Meeting

f. Approval of an agreement between the City of Sanibel and the Florida Department of Revenue restricting access to confidential State Tax Information as required by State Statute and authorize the City Manager to execute same

Mayor Denham made a motion, seconded by Councilmember Johnston, to approve Consent Agenda items (a), (d), (e) (f), and (g).

The motion carried.

## **OLD BUSINESS**

### **Water Quality Issues**

#### **Staff Reports**

Dr. Loflin reported on the following:

- Meeting last week regarding the Lake Okeechobee release schedule
- New plan flexibility to consider elements
- Requested releases stop due to rainfall
- Reviewed impacts of releases in estuary
- SCCF monitoring recon systems was very useful in discussion
- Agreed to stop releases immediately
- Additional salinity between 12 and 27
- Matlacha data came from Sanibel testing (San Carlos Bay & Pine Island Sound) water quality testing paid for by TDC
- ACOE trying to stop rapids raise in level of lake, and providing more capacity in Lake Okeechobee in case of a storm
- Requested the pulse releases would be very gradual and average be 3,000 rather than 4,000 cubic feet per second
- Meeting Thursday, September 18<sup>th</sup>
- Would request the measurement be determined from S-79 rather than S-77 to take in account of basin flows and local conditions

Discussion ensued regarding ACOE and SFWMD discontinuing the Lake Okeechobee releases, someone new at the ACOE helm next July, better quantitative ways to measure nitrogen, oxygen and other materials in the water, should a letter be sent out regarding the releases being terminated, and should wait to see what further action would be taken by the end of the rainy season, any possible changes of water storage areas north of the lake, Dr. Loflin stated the question was asked and there was no response to allow more water storage, Council asked Dr. Loflin to report on the progress of water storage at the next Council meeting, affects of Fay diminishing,

Dr. Loflin reported on US Sugar land acquisition as follows:

- Complication on appraisals
- SFWMD selling while trying to settle the acquisition
- 2-month delay, previously closing in November
- Proposal from staff include a change in the flow way
- Mill in the flow way direction and want to keep the mill as an inland port with more roads
- Map shows to flow way narrower and more to the west

- Proposals behind the scenes, such as dredging the area around Lake Hiccochee for real estate
- Land closure for January, 2009
- Requested projects appear to be to offset US Sugar leaving
- Concern of no real public input other than at the SFWMD Board and the WRAC meetings

Discussion ensued regarding when would it be appropriate for Council to have input, Dr. Loflin stated as soon as possible, making a list of projects and CERT issues; 1) white paper establishing positions (working with Lee County in 2 weeks); Ms. Zimomra recommended that the paper come to Council next week and Mayor convene a meeting to discuss items with Lee County, staff and attorneys, Dr. Loflin stated the paper would not be available next week, but in 2 weeks, governor's person should be included, SWFMD board members should be contacted individually, Ms. Zimomra stated staff had the list of elected/appointed officials, all stakeholders should be pulled into the discussion, Dr. Loflin asked the document become a working document due to things constantly changing, the concern was primarily environmental driven, and second concern would be the economy.

Dr. Loflin spoke to protecting land in the S-4 basin, maps showing that lands should be kept and would be available for storage and treatment.

Public Comment  
None

### **Reports from City Council members**

Mayor Denham spoke to the following:

- The to assure necessary permits in place for beach clean-up
- Retainer with Crowder Gulf

Discussion ensued regarding if there was algae on the beaches again Council would remember that the beaches were internationally known because mechanical equipment was never used on the beach.

Council recessed at 10:22 a. m.

Council reconvened at 10:30 a. m.

### **RESOLUTION 08-129 APPROVING A SOLID WASTE RATE STRUCTURE FOR FISCAL YEAR 2008-09; APPROVING A SOLID WASTE FRANCHISE FEE AND A SOLID WASTE DISPOSAL SURCHARGE; AND PROVIDING AN EFFECTIVE DATE**

Keith Basnik, Waste Pro spoke to the following:

- Reduce the request by 1%

Mr. Gates Castle, Public Works Director spoke to the following:

- Provision in contract allows Waste Pro to request for an annual rate adjustment
- Used CPI increase the last 2 years
- Increase only applies to the collection component of the bill
- Bill comprises of the collection, disposal, billing cost and other factors
- Lee County determines the generation rate annually for a typical single-family home
- Lee County fee for tonnage rate for residential household 1.1 tons per household last year
- Lee County fee for this year would be 1.0 tons per household
- Disposal rate for residential to \$.75 per ton
- Recommendation to keep 15% franchise fee
- Recommend keeping the \$25.00 surcharge

- 5.3% increase – residential would increase less than \$2.00 per year – 1.6% increase and be reduce when calculated at 4.3%
- Commercial customers rate increased at 2.7% with a 5.3% increase and would decreased with 4.3%
- Commercial can rate more time-consuming service – with 5.3% would have been a 4.7%, but would be decreased with a 4.3% increase

Discussion ensued regarding asked was the 4.3 % increase the lowest, Mr. Basnik stated yes due to the increase of fuel, fuel was \$1.96 per gallon when the contract bid was submitted, use 4,000 gallons of fuel per month, Waste Pro absorbed the first 2 years of costs, increase 4.6% the first year of the contract and a 1.6% increase last year, Council asked if the increase would be paying for retroactive adjustment, Mr. Basnik answered no, the next request was for a fuel adjustment component, and if granted the CPI would go from 4.3% to 3.3% netting 1%, if the price of gas goes below \$3.00 the increase would stop, would residents receive a decrease if gas goes below \$3.00, and Mr. Basnik replied no, should review for the future and the flexibility of the contract in upcoming years.

#### Public Comment

Judy Minchie asked if small business owners would be increased, and Mr. Castle spoke to the increase and she disagreed to the increase.

Discussion ensued regarding increase of business owner, Mr. Castle stated the calculation was very extensive, the bid price in 2005 included bridge restrictions, but the contract was bid with and without restrictions, take the 2005/2006 and add the 4.6% 06/07 and 1.6 % in 07/08 and the current percentage would be used to arrive at the prices, Mr. Castle stated the 2005 bid was for all different services and included the increases over the years, Mr. Basnik stated the cal pick-up was the most difficult due to inefficiency, Ms. Zimomra stated that sometimes the small business had the opportunity for a can pick-up, which was most cost effective than a small dumpster pick-up, the bid price in 2005, which carries forward with current increases using CPI, Mr. Basnik stated the type of service had the least amount of density and the more difficult and time consuming, Ms. Zimomra stated small businesses have the opportunity to have can service, the increase would be less than \$6.00.

Judie Minchie spoke a second time and asked how many commercial businesses use the can service.

Discussion ensued regarding reviewing the fairness of the small can pick-up in the contract, Mr. Castle stated that the competitive bid process would be in jeopardy if Council reviewed the contract in mid-stream, bid up in September 2009, Mr. Cuyler stated the City accepted the contract, and Waste Pro was the most competitive, should the resolution be amended to include gas prices at \$3.00 and/or below, Mr. Cuyler stated another “Whereas” clause would be incorporated in the amended resolution and would also reflect the 3.3% increase.

### **RESOLUTION 08-129 APPROVING A SOLID WASTE RATE STRUCTURE FOR FISCAL YEAR 2008-09; APPROVING A SOLID WASTE FRANCHISE FEE AND A SOLID WASTE DISPOSAL SURCHARGE; AND PROVIDING AN EFFECTIVE DATE**

#### **Consider request from Waste Pro, Inc., to add a Fuel Adjustment Component (FAC) to the residential and commercial customers’ solid waste bills and direction to staff**

Ms. Zimomra read the title of Resolution 08-129.

Mayor Denham made a motion, seconded by Vice Mayor Ruane, to direct the Mr. Cuyler to amend Resolution 08-129 including the rate if gas goes to \$3.00 and/or below, as well as the changes of the percentage from 4.3% to 3.3%.

Discussion ensued regarding paying more for the waste contract with bridge restrictions, Mr. Castle stated that 2002-2003 rates were the highest and less than proposed rates.

The motion carried.

### **Discussion of process for filling council position to become vacant on November 18, 2008**

Discussion ensued regarding Councilmember Johnston involved in discussion, Mr. Cuyler stated that Council could wait until November 18<sup>th</sup> for discussion, but if Council decided to discuss now Councilmember Johnston could discuss, but not vote, previous public comment to select a person that would not run for election, not necessary to include parameters, could advertise in the paper, allowing the same procedures as used in the past, should the vote take place November 18<sup>th</sup>, Mr. Cuyler answered yes, Council should interview applicants, should factor in staff restraints, important that the public be involved, set up criteria for selection, Mr. Cuyler stated there were two elements for discussion that the Charter denotes Council shall fill the position, and Council should be prepared to vote November 18<sup>th</sup> and would be sworn in the first meeting in December.

Mayor Denham made a motion, seconded by Councilman Jennings, to advertise for a replacement for several weeks, invite applications to the November 18 meeting for public interviews with Council and the chosen applicant would be sworn in the first December meeting.

Mr. Cuyler advised that all applicants should be residents of the island.

#### **Public Comment**

Judy Minchie agreed that the appointed person should be able to run for election.

The motion carried.

### **COMMITTEES BOARDS COMMISSION**

Ms. Zimomra advised Council that the first meeting in October Council would be discussing Committee appointments. She further stated there were also a vacancy on each pension board.

### **Acceptance of a resignation from Thomas Louwers, Police Pension Board Trustee Acceptance of a resignation from Leslie Pendleton, Jr. General Employee Pension Trustee**

Mayor Denham made a motion, seconded by Vice Mayor Ruane, to accept the resignations with regret and send a letter of thanks Mr. Louwers and Mr. Pendleton.

The motion carried

### **CITY MANAGER**

#### **Informational Items**

### **Sylvia Edwards, Finance Director, designation of Certified Public Finance Officer through the Government Finance Officers Association of the United States and Canada**

Ms. Zimomra announced the new Finance Director, Ms. Sylvia Edwards recent designation.

### **Sanibel Debris Management Plan approved by FEMA for the Public Assistance Pilot Program – Increased Federal Share Incentive procedure**

Ms. Zimomra noted the approval of the City's Debris Management Plan, which entitled an additional 2.5% re-imburement.

**August, 2008 Code Enforcement Activity Report**  
**August, 2008 Planning Department Permit Activity Report**  
**July, 2008 Causeway Counts**

For informational purposes only.

**Updates to City Training & Travel Policy**

Ms. Zimomra spoke to the inclusion of the new policy. She further stated that in effort to continue being frugal with tax dollars any training that could be done on-line would be done on-line, and training only for certification would be allowed. She further advised that hotel cost would be minimized.

**Status of Police Department boat dock bids**

Ms. Zimomra that the bids came in higher and prioritizing the police portion and it would be re-bid.

**CITY ATTORNEY'S REPORT**

**Notification letter (attached) to Sanibel Bayous, Heron's Landing, Blind Pass Condo area property owners that Final Sewer Assessment Hearing (and Council Meeting) on August 19, 2008 was canceled due to threat and effects of Tropical Storm Fay, advising that hearing will be rescheduled and advising that all required notices of new hearing will be again issued to property owners**

Mr. Cuyler stated that a letter was sent to each property owner announcing the reason for the delay of the Sanibel Bayous assessments.

**COUNCIL MEMBERS' REPORT**

**Process and clarification of issues regarding upcoming October 7<sup>th</sup> discussion on the possibility of developing a Dog Park on Island Inn Road**

Mayor Denham spoke to the following:

- Recommend discussion on this agenda, but the Sanibel Dog Park, Inc., members could attend this meeting
- Mr. Cuyler noted the referendum language must be completed at the second October meeting, but the preference would be that the Sanibel Dog Park, Inc., members would bring the proposed language to staff
- Took several meeting for referendum language for the Recreation Center
- Council need to convey concerns
- Number of critical items
- Conveyed needed items to Sanibel Dog Club, Inc.
- The proposed dog park operated at no expense to City and
- Dog Park would pick up cost of park, maintain and operate
- Issues with insurance
- Issues of location
- Should this be a public hearing on location
- Do not want to misconception that staff/Council was delaying the project

Mr. Cuyler stated that he would be working on proposed referendum and contract language.

Discussion ensued regarding items needed from Sanibel Dog Park, Council put forth questions previously by letter and asked for answers from the Dog Club, Ms. Zimomra gave the following list:

- Status of incorporation – now informed they are incorporated
- Proposed site plan
- Site lay out

- Status of adjacent SCCF property – working with SCCF to donate and/or purchase
- SCCF Board would make an offer contingent on referendum passing
- Proposed rules of operation and how they would be enforced
- Proposed capital and operating budgets
- Working with the City Attorney for referendum and contract language
- At Council's direction staff had met several time with Dog Club
- Dr. Loflin identified wetlands with a visit to property

Discussion ensued regarding a memo should be provided to Council regarding the open question in the November agenda packet, most work should be completed by the Dog Club members, and appreciate that staff was willing to help the Sanibel Dog Park with issues.

### **Attendance to the Florida League of Cities Energy and Environmental Quality Committee meeting September 12, 2008**

Mayor Denham spoke the following:

- A new committee
- Committee attempts to provide legislation
- Recommendation to include the Healthy Beach Program
- Unanimously include as a priority
- Discussion also included beach re-nourishment and beach erosion
- Home rule was important

### **Attendance to the Florida League of Cities Taxation and Finance Committee meeting September 12, 2008**

Vice Mayor Ruane spoke to the following:

- Most municipalities struggling with tax reform and restrictions
- Discussion of spending, short falls from local revenues
- Need appropriate sales tax from revenue sales

Councilman Jennings spoke to the following:

- National League of Cities meeting in Orlando in November
- Possible National League of Cities committees membership – Energy, Environment and Natural Resources Committee
- Ms. Zimomra stated that this was similar to the Florida League of Cities
- Information given to the City Manager

He further spoke to speaking with Commissioner Janes, then receiving a call from Paul Wingard, and Sanibel could have input regarding the fishing pier design

Ms. Zimomra stated that Paul Wingard and Barbara Manzo would be making a presentation at the October 21<sup>st</sup> Council meeting.

#### **Public Comment**

Karen Storijohann spoke to the need to pay attention to the National League of Cities.

Vice Mayor Ruane spoke to the recent certification by the Finance Director. He also spoke to his attendance as liaison to the new Audit Committee, and his continuing perusal of City investments in Pool A and B. He also stated that on September 12<sup>th</sup> liquidity could be removed up to 60% and 64% was still in corporate notes. He explained that City funds should continue to stay in cash and treasury notes, and the need for an independent audit on Pension Board investments and he would be willing to be involved with the Pension Boards.

Mayor Denham spoke to the following:

- Draft copy of a letter from Lee County Mayors
- Spoke to Commissioner Judah
- Lee County Mayors met to discuss the annexation issue and able to persuade Lee County Commissioners to work together
- Another meeting for Lee Tran discussion, but was a discussion to persuade Commissioners to listen to municipalities
- Letter arrived and asked for the mayor's signature, Sanibel, Lee County relationship was better in recent years and reluctant to be critical of Lee County

Discussion ensued regarding a rocky road between municipalities and Lee County, relationship should improve between county and cities, and should not set precedence with letter because it could hamper discussions.

Council by consensus agreed the Mayor should not sign the letter.

Councilmember Johnston spoke to the need to appoint a representative for MPO, and the voting delegate for the National League of Cities and Florida League of Cities.

Councilman Pappas spoke to Council appointing members of the Planning Commission and expressed it unwise that Council appoints without regulation. He further stated he was uncomfortable with a system where Council appoints members where the work was not accountable to Council and the Planning Commission members served at the pleasure of Council, but was changed previously through referendum.

Mr. Cuyler stated the following:

- 2004 discussion regarding Planning Commission tenure and could upon vote be removed by City Council
- 2004 an Ordinance went to Council and it was declined
- 2005 petition by proponents to place on ballot and approved
- Charter amendment provided that the Planning Commissioners could only be removed for cause and no longer serve at the discretion of Council

Discussion ensued regarding limitations on what elected officials could complete, should be further discussion, needs to be an item on the agenda, when Council did not re-appoint a person to the Planning Commission was that incorrect, Mr. Cuyler stated no, but removal applied in other situations, but not at the end of terms appointments, need further discussion on a Council agenda, and residents need to be more involved.

Councilman Pappas spoke to an ordinance proposal prepared for referendum regarding segway use in Shared Use Paths. He passed a copy of the proposed ordinance to Council.

Mr. Cuyler stated that an ordinance proposal was one of two ways for a charter amendment. He stated that the language must be completed by the October 21<sup>st</sup> meeting.

Discussion ensued regarding Councilman's Pappas' request to have a first reading on the October 7<sup>th</sup> meeting, needs to be discussed before putting on an agenda for first reading, Councilman Pappas stated shared use path usage was critical, Mr. Cuyler stated that a resolution to removed land from the Environmental Sensitive Land District for the Dog Park.

Public Comment

Claudia Burns spoke to her agreement of the proposal that the public should discuss.

Discussion ensued regarding not giving Council the opportunity for discussion before being placed on an agenda for first reading.

Karen Storijohann spoke to the public aware of the issue. She also stated that the City of Naples was also involved with discussion.

Mr. Cuyler stated the process was legal. He further stated that the legal procedure was 1<sup>st</sup> reading without discussion and 2<sup>nd</sup> reading would have discussion. He advised that Council had in the past a discussion previous to the first reading.

Wayne Ponader spoke to his understanding that first reading would be October 7<sup>th</sup>. He further spoke to Council making a determination of segway tours in various approved locations.

Mr. Cuyler stated that this ordinance would preclude segway tour business.

Discussion ensued regarding was there a need to insert information, and Mr. Cuyler stated that all blanks would be filled in, presently motorized vehicles could not operate on shared use paths, segways only allowed on tours, were segways allowed on public roadways and Mr. Cuyler stated that was correct.

Judy Minchie spoke to more respect between Council, community and businesses.

Councilman Pappas made a motion, seconded by Vice Mayor Ruane, to direct staff to prepare an Ordinance regarding segway use on Shared Use Paths for first reading on the October 7<sup>th</sup> Council meeting.

The motion carried with Councilman Jennings voting in opposition.

Councilman Pappas spoke to citizens suggesting that Councilmembers should not be present at certain public hearings, but the guide should be the City Attorney.

## **PUBLIC COMMENT**

None

There being no further business the meeting was adjourned at 12:30 p. m.

Respectfully submitted by,

Pamela Smith, CMC  
City Clerk

**SANIBEL CITY COUNCIL MEETING  
FINAL BUDGET HEARING  
SEPTEMBER 16, 2008  
5:01 P. M.**

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

Mayor Denham gave the Invocation and led the Pledge of Allegiance.

Members present: Mayor Denham, Vice Mayor Ruane, Councilman Jennings, Councilmember Johnston and Councilman Pappas.

**Statutorily required proposed millage rate review  
Background materials City Council previously requested**

Ms. Edwards, Finance Director made the following:

- City Council adopted 2.3355 millage rate on September 06, 2008
- Does not exceed the rolled-back rate

Ms. Zimomra stated the following:

- Operating in new property tax mandates
- April, 2008 mid-year budget adjustments in the amount of approximately \$1 million
- Tentative budget prepared with a 2.3931 millage rate
- Continues all salaries at current levels
- Re-shaped health care program
- Every department complied by submitting budgets at 28% or less
- Numerous public discussions
- First budget hearing Council adopted several anticipated changes within the budget document
- Eliminate \$200,000 environmental sensitive land
- \$106,000 lease street sweeper rather than purchase
- Eliminate \$50,000 for Lindgren/Periwinkle Way/Causeway Boulevard engineering
- Eliminate \$70,000 for Tahiti/San-Cap Road intersection curbing
- Eliminate \$6,500 (5% decrease of copying and printing)
- Eliminate \$57,000 2 Police Department vehicles
- Eliminate \$47,500 City Hall solar collectors
- Eliminate \$2,500 for solar panels for Community Park restrooms
- Reduce \$75,000 phone system
- Reduce \$20,000 to expand the City's electronic data system
- Reduce \$6,000 from MIS overtime
- Reduce \$1,000 Office Supplies in Finance Department
- Reduce \$8,900 MIS for training
- Reduce \$1,000 Books and subscriptions in Legislative Department
- Reduce \$2,000 in Professional Services
- Reduce \$500 Police Department Operating Supplies
- Reduce \$300 Natural Resource Office Supplies
- Reduce \$400 Public Works Office Supplies
- Reduce \$100,000 MIS GIS/HTE upgrade phasing program over 2 years
- Road resurfacing for current year came in at less than \$83,000
- Legal department \$85,000 less in contractual services
- Evaluate a reduction in work force beyond attrition

- Management level restrict budget – all training and travel for license and certification
- Hotel reimbursement of \$50 per day
- MIS 6 to 7 day per week schedule
- Working with Public Works to stagger work schedules to minimize overtime
- More detailed report when presenting budget amendments
- Tentative budget drafted with economic signs
- Property tax 5.58% decrease based on 2007 tax evaluations
- Tax reform would not be seen until 2010
- Summary of reserves
- Updated matrix staff recommendations

### **City Council Discussion and Direction to Staff regarding Fiscal Year 2008-09 Budget**

Discussion ensued regarding going to the rolled-back rate at 2.1966, amount of reductions agreed to at the 090508 meeting, impact to budget would be \$480,000, Option 2 for staff reduction and allows to cut staff, phase out positions saving \$293,414, would like to cut \$100,000 from the MIS budget, cutting the phone system and electronic data system equaling an additional \$95,000, available appropriations for reserves unallocated funds, and continue to see continued pressure on the budget within the next 2 years.

- \$487,000 cut from budget
- Option II for reduction in work force equals \$123,000
- Reduce MIS budget by \$100,000 by eliminating phone system and electronic date system (Capital Budget) and Overtime (General Fund) \$6,000
- \$700,000 would be available for undesignated funds

Discussion ensued regarding continued that the original millage of 2.3355 would be a tax increase, 2.1966 would be the rolled-back rate, ask City Manager to explain Option II of work force reduction, Ms. Zimomra stated the tentative budget eliminate the Code Enforcement Officer, Transportation Planner and Senior Building Inspector, Option II was an effort to go further, but through attrition would eliminate, eliminate an open position in Public Works, lost superintendent of the Recreation Center and change that position to Facility Maintenance Supervisor equaling an additional savings of \$3,000, net budget reduction would be \$329,270, impact of changes to workload of departments Ms. Zimomra answered that Option III gave a detailed report, but continue to monitor work load for departments, Code Enforcement would coordinate Natural Resources, no need for a transportation Planner due to less traffic and could contract, Building Department open inspector position was not filled and used contractual inspector, public works employee were needed to continue with everyday assignments, deputy planning director retirement would bring a re-organization of the department, new entry level salaries for new employees was adopted in the morning meeting, agreed with additional reductions, need to further cut carry-over money from road re-surfacing, agree to professional services carry-over of \$85,000 in the legal department, road construction would not be reduced, contract awarded and was \$83,000 under what was budgeted, total reduction \$879,865, GIS/HTE phased over 2 years would be reduced by \$100,000, appropriate the \$700,000 in reserves, can appropriate funds when necessary, Council must approve the use of funds, if the \$700,000 already appropriated less thought would be used to spend the money, July, 2007 the budget presented was at 90% rolled-back rate other Council members did not want the rolled-back rate, only Councilman Pappas would to go to the 90% rolled-back rate, residents want lower taxes, also want to hold sufficient monies to perform the task of emergencies and/or problems with red drift algae, budget should be designed by not cutting projects, but costs of projects, City Manager knows that cuts must be made, could delivery reduction in taxes at the appropriate time, should remain at 2.3355 millage rate, option II the deputy planning director should be eliminated immediately unless there was a commitment of retiring as of January, 30<sup>th</sup>, Ms. Zimomra stated the retirement would be affected as of October 1<sup>st</sup>, certain citizens have come forward with ideas for the community, ideas may not be politically possible, need to affect the \$700,000 to acquire retained earnings, 2.1966 prior year's adopted millage rate, which was the same taxable rate as last year, if there was no reduction in staff, projects would not go forward, need to be creative and add to retained earnings, \$4.5 million for disasters and \$1.2 million for environmental line item group together, unappropriated balance \$1.8 million, not enough of a difference for residents, should keep staff as is, should support staff, often amended budget was 20% more, Council to stick with adopted budget this year, concerned with increase of

MIS projects/expenses this year, \$879,865 total reductions, un-appropriated balance equals \$1.8 million, and TDC funds should be used for cleaning red drift algae.

**Public Comment**

Dr. Steve Brown spoke to not reducing the budget by eliminating employees.

Judy Minchie spoke to not leaving out grants received by Tourism Development Council (TDC)

Councilmember Johnston spoke to the creep of the amended budget was due to grants.

Ms. Zimomra stated that the budget was emailed to over 5,400 residents, was in the Clerk's office, the website and in the Library.

Karen Storijohann spoke to paying attention to monies raise and spent, what the needs were, do not need fireworks, and should spend money on automation, need to look at own projected image to community, new website had changed perception of Sanibel, mistake to not look at benefit side of the MIS Department, what was the cost not to automate, if disaster struck there would be the need for off-site redundancy.

Ms. Zimomra stated the list was prioritized and was reviewed by Executive Staff.

Mr. Cuyler advised reading the title of the Resolutions.

Discussion ensued regarding Vice Mayor running for office and receiving phone calls to reduce the budget, foreclosures at an all time high and should , tentative budget at and when considering last year's budget the ending fund balance was \$12 million, and this year's \$9.8 million in reserve, 17% cash flow reserve due to policy not included in the \$9.8 million, misleading that the amended budget grew to 15%, less than \$1 million added, does Council expect the ending fund balance to increase, should review budget amendments, provide rationale ending fund balance was increased, Ms. Zimomra stated that the ending fund balance was anticipated narrower in next year's budget, she further stated she believed that the City could be operated under a 2.3355 millage rate budget under the direction of Council, and \$879,865.

Mr. Cuyler noted that a budget number needed to be inserted within the resolution.

Discussion ensued regarding 0.1389 difference between 2.3355 and 2.1966, and how much savings would that be for the average home, Ms. Edwards stated the average home value was \$608,442 and decrease tax would be \$84.51 or \$13.80 per \$1,000 based on a millage rate of 2.1966, at \$850,000 would be a savings of \$105.40, and the difference should be put in reserves.

Council recessed at 6:38 p. m.

Council reconvened at 6:47 p.m.

Ms. Zimomra spoke to the following:

- Total reduction would be \$880,517
- Millage rate of 2.1561

**Public Hearing and adoption of RESOLUTION 08-132 ADOPTING THE FINAL OPERATING AND VOTED DEBT SERVICE AD VALOREM MILLAGE RATES FOR TAX YEAR 2008 FOR THE CITY OF SANIBEL, LEE COUNTY, FLORIDA**

Ms. Zimomra read the title of Resolution 08-132.

Vice Mayor Ruane made a motion, seconded by Councilmember Johnston, to adopt Resolution 08-132 with a millage rate of 2.1561.

Discussion ensued regarding the reduction for average household would be \$109.15, true reserves talked about last year were for disasters and/or the environment, 2 funds 1) environmental \$1.2 million; and 2) environmental \$4.5 million, and monies should stay in reserves.

The motion carried with Councilman Jennings and Councilman Pappas voting in opposition.

**Public Hearing and adoption of RESOLUTION 08-133 ADOPTING THE FINAL BUDGET FOR FISCAL YEAR 2008-2009 FOR THE CITY OF SANIBEL, LEE COUNTY, FLORIDA; AND PROVIDING AN EFFECTIVE DATE**

Ms. Zimomra read the title of Resolution 08-133.

Public Comment

Dr. Harries thank Council and staff for the hard work.

Vice Mayor Ruane made a motion, seconded by Councilmember Johnston, to adopt Resolution 08-133.

The motion carried.

There being no further business the meeting wad adjourned at 6:58 p. m.

Respectfully submitted by,

Pamela Smith, CMC  
City Clerk