

**SPECIAL SESSION BUDGET WORKSHOP
OF THE STUART CITY COMMISSION
TO BE HELD MAY 3, 2010
AT 9:00 A.M. IN THE CITY COMMISSION CHAMBERS
121 S.W. FLAGLER AVE.
STUART, FLORIDA 34994**

Roll call was answered by:

Mayor Michael Mortell

Vice Mayor Carol Waxler

Commissioner James A. Christie

Commissioner Jeffrey A. Krauskopf

Commissioner Mary Hutchinson

Also present were:

City Manager: Dan Hudson

City Attorney: Paul J. Nicoletti

City Clerk: Cherie White

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

Budget Workshop Presentation

City Manager Hudson gave a brief PowerPoint presentation to the Commission. He explained the current economy situation.

He requested comments on the following two items. He stated the City began putting out early retirement incentives to employees. He also asked the Commission to discuss another workshop for June, after the City receives the property appraiser numbers.

Commissioner Krauskopf complimented the City Manager for his presentation and stated it was very well put together. He requested the City take a look at the CRA at the June workshop. He expressed concern over the amount the City has proposed percentage for a property tax reduction, because the County has a higher percentage.

The City Manager stated he would be able to come close enough and do some tweaks to balance the budget if the percentage is higher.

Commissioner Krauskopf also asked if the City has any mandates from the State's legislative action that would affect the City.

City Manager Hudson said he was not aware of anything that would affect the City negatively based upon what we know today. They have basically cut off the grant program, so that has already been factored out of our budget. He said the only nightmare he could see is if the State changes the distribution of the sales tax.

Commissioner Krauskopf suggested taking care of the City's business based on our revenue and expenses.

City Manager Hudson said he did not know the details of the state budget.

Commissioner Krauskopf noted the morning report for rental revenues and how they have declined. He said many store fronts that we see have businesses operating however they may not be paying rent to the landlord. He suggested meeting in June ahead of any surprises, which may happen.

Mayor Mortell questioned the paid time off.

City Manager Hudson stated the department will have to be managed in a way that minimizes any overtime or avoid it completely.

Mayor Mortell also questioned the numbers coming from the county regarding Fire Service north of the bridge and we are making the determination that the call volume was so low that we are able to manage it from our two stations. He wanted to assure the public that there will be service north of the bridge.

City Manager Hudson explained there will be no change in service to those north of the bridge. He said the city is exploring some capital improvement opportunities for the future.

Commissioner Waxler expressed concern over the recent oil spill and the effect it may have on the tourism dollars to Florida.

Commissioner Hutchinson expressed concern over the revenue amounts and personnel cost over the years. She said the City needs to look at ways not to cut services in the future, when the personnel cost have continued to rise. She also said the Flagler Recreation center is probably the most underutilized assets. She said with some improvements to the center it could actually possibly a profit center for the City. She thinks it is not used to its maximum capacity, and if done correctly could generate revenue and provide other services to the community.

Mayor Mortell feared that unless there is some aggressive marketing program, it will become a greater expense. He too wanted to see the center used to its capacity.

Commissioner Hutchinson said she looked at the schedule of events at the Center and stated there is some desire to use the facility even without marketing, but felt it was still underutilized. She felt the revenues generated could be used to provide other services.

City Manager Hudson said he would prepare something on that issue.

Commissioner Hutchinson said she would like to see more creative thought instead of just elimination of positions.

Commissioner Waxler said the new norm is a reduction across the board between 30-40%.

Mayor Mortell said we need to have a policy in place that may look at performance and consider a merit retention program. They may fall in the category because they were hired last, we lose possible good employees.

City Manager Hudson said he looked at a range of criteria's spelled out in the policy, including probation, functional responsibility. He explained the personnel levels have been reduced to below a 2001 personal level.

Commissioner Hutchinson expressed concern over the personal cost.

Mayor Mortell stated the 2003 personal cost did not include the step plan amounts so 2007 is a different math.

1. RESOLUTION 43-2010 Amending Section 26 of the City of Stuart Personnel Policy to add Section 26.4 Mandatory Furlough Leave Program and directing the City Manager to activate the mandatory budget-required Furlough Leave Program for a period of time beginning October 1, 2010 and ending September 30, 2011 unless terminated earlier or extended by direction of the City Commission

MOTION: COMMISSIONER KRAUSKOPF; MOVED APPROVAL OF RESOLUTION 43-2010

SECOND: COMMISSIONER WAXLER

ROLL CALL

COMMISSIONER CHRISTIE	YES	MAYOR MORTELL	YES
VICE MAYOR WAXLER	YES	COMMISSIONER HUTCHINSON	YES
COMMISSIONER KRAUSKOPF	YES		

2. RESOLUTION 44-2010 Approving amendments to the City of Stuart Personnel Policy Section 28 paid time off

MOTION: COMMISSIONER KRAUSKOPF; MOVED APPROVAL OF RESOLUTION 44-2010

Commissioner Hutchinson expressed concern over section 28.9 of the proposed amendments.

City Manager Hudson stated he spoke with Linda Skelton, Human Resource Director regarding the amount paid out for terminations, be based upon the value in the bank, and based upon its value at the time it was earned. Strike rate of pay in effect, and add retirements or termination of employment at the amount in the employee's bank at termination.

Mayor Mortell, asked what the 240 hours annually amount to? Can they take paid time off every year of 240 hours?

City Manager Hudson said they would need to take the time off. Some people call it a use it or lose it program.

Commissioner Hutchinson requested the paragraph be amended to payout at the rate of pay earned, after October 1, 2010.

Dottie Zaharako explained that at the time of termination or retirement you would get paid all of your earlier time at the earlier rate of pay.

Linda Skelton explained the intent is that the paid time out upon termination is only paid at 100% of what was earned, and at the time you earned it.

Commissioner Waxler suggested bringing it back before the Commission once the changes have been made.

City Manager Hudson said he would bring it back at the regular meeting.

Commissioner Krauskopf requested a special meeting for June 16, 2010 at 1:30 p.m.

PUBLIC COMMENT

Helen McBride came forward and requested the City look into the increased fees to use the recreation center. She said the Stuart Community Band cannot afford the cost to use the center.

She also expressed concern over the Sailfish Park cost and that the Little League players are all from Palm City and pay a fee to play. She asked the City to look at how many players on the leagues are actually city residents.

She also expressed concerned over the police force being reduced. Crime goes up when the economy goes down. She asked the City Manager look at PD department.

Commissioner Hutchinson said the Stuart Community Band did not want to move their practice to Wed night for free.

Gary Waters, representing the Operating Engineers came forward and expressed concern over the low wage earners in the City and their increase health insurance cost.

ADJOURNMENT 10:27 am

ATTEST:

Cheryl White, CMC, City Clerk

Michael Mortell, Mayor

**Minutes to be approved at the Regular Commission
Meeting This 24th Day May, 2010**