

**Attorney/ Client Session following by a  
SPECIAL MEETING OF THE STUART CITY COMMISSION  
HELD ON APRIL 30, 2007  
AT 9:00 A.M. IN THE CITY COMMISSION CHAMBERS  
121 S.W. FLAGLER AVE.  
STUART, FLORIDA 34994**

**Roll call was answered by:**

**Mayor Mary L. Hutchinson  
Vice Mayor Jeffrey A. Krauskopf  
Commissioner Carol S. Waxler  
Commissioner Michael J. Mortell  
Commissioner James A. Christie, Jr.**

**Also present were:**

**City Attorney :Paul J. Nicoletti  
City Clerk Cherie White**

0:00 ~ 4/30/2007 8:32:25 AM ~ Start Recording

The Commission convened to an Attorney/Client Session to discuss pending litigation.

Adjourned 32:02 ~ 4/30/2007 9:04:27 AM

**Roll call was answered by:**

**Mayor Mary L. Hutchinson  
Vice Mayor Jeffrey A. Krauskopf  
Commissioner Carol S. Waxler  
Commissioner Michael J. Mortell  
Commissioner James A. Christie, Jr.**

**Also present were:**

**City Manager: Dan Hudson  
City Attorney :Paul J. Nicoletti  
City Clerk Cherie White**

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

32:56 ~ 4/30/2007 9:05:21 AM

- 1. RESOLUTION 71-07 authorization for declaring "Zoning in Progress" under Sec. 1.02.04, Stuart Land Development Code, for Pole Sign Permits, except for minor repairs**

**MOTION: COMMISSIONER MORTELL: MOVED APPROVAL OF RESOLUTION 71-07**

**SECOND: COMMISSIONER CHRISTIE**

**ROLL CALL**

<b>MAYOR HUTCHINSON</b>	<b>YES</b>	<b>COMMISSIONER CHRISTIE</b>	<b>YES</b>
<b>VICE MAYOR KRAUSKOPF</b>	<b>YES</b>	<b>COMMISSIONER WAXLER</b>	<b>YES</b>
<b>COMMISSIONER MORTELL</b>	<b>YES</b>		

**2. RESOLUTION 68-07 CONTINUED FROM THE REGULAR COMMISSION MEETING HELD APRIL 23, 2007 authorization for a budget amendment to the 2006-2007 annual general fund and property management fund for an expenditure of \$20,000 to provide funding for operations of the City Golf Range Facility for the 90 day period commencing March 26, 2007**

MOTION: COMMISSIONER WAXLER: MOVED APPROVAL OF RESOLUTION 68-07

SECOND: VICE MAYOR KRAUSKOPF

ROLL CALL

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

**DISCUSSION & DELIBERATION**

1:00:20 ~ 4/30/2007 9:32:45 AM

**3. Guidelines for Implementing Property Tax Reform.**

Mr. Hudson gave brief introductory comments to the City Commission. He stated the meeting should be completed by 11:30 a.m. He gave a brief summary of the State's Tax reform proposal and how it could affect the City. He stated the least amount of impact would be \$1.5 million dollars in taxes and the most at this time would be \$6.2 million dollars reduction in taxes to the City. He stated the City currently receives \$10 million dollars in taxes and the total General Fund is \$25 million dollars. With the \$6.2 million dollar scenario that would create a reduction to the General Fund of 25 %. He stated the City would continue to move forward with the budget process.

\*1:00:13 ~ 4/30/2007 9:32:37 AM Commissioner Mortell left.

Mayor Hutchinson requested the City look at a long term solution and be very careful. She was happy to see that Dan has put a plan into place. She had a comment regarding item C and expressed concern that she did not want citizens paying for every little thing they do.

Mr. Hudson stated the City would review the staffing levels structure of FY 2001,2003, 2004 & 2006.

Commissioner Mortell requested looking at the budget for that reflects the revenues from 2003. He stated he would rather have a tight budget then ends up having extra money then a heavy budget that ends up having several million taken off of it.

Commissioner Christie stated he did not want to see every department cut by 10 or 15% but rather look at the department to see what they can live without based on that.

Mayor Hutchinson requested a baseline budget.

Commissioner Waxler wants to look at the basic services and core services and felt Water & Utilities are core and when you look at Parks & Recreation, that's not core services. I think we need to concentrate on providing the level of service.

Commissioner Mortell disagreed that Parks & Recreation was not a core service and felt like the Commission was micromanaging. He said the Commission should tell Mr. Hudson the money range to set the budget for, and let him decide what the essential services are, and what can be cut.

The Commission agreed that Manager Hudson should be the one to decide what the core services are.

Vice Mayor Krauskopf stated that the 2003 number would put the millage at what?

Dottie Zaharako: 5.4 reductions, 4.1539 mills.

Vice Mayor Krauskopf asked if the City sets that millage at the 2003 rate what would that generate?

Manager Hudson: Stated he would look at starting with the 2003 rate, 4.1539 based on today's property values.

Commissioner Mortell expressed concern over using the current assessed values. He stated the majority of the property values will decrease and he suggested using the 2004 assessment.

Dorothy Zaharako clarified, running rough numbers using the 2003 millage based on the 2004 assessment, and adjusted for inflation and millage as a starting point.

Mr. Hudson stated he would not use any revenues unless adopted.

Bernie Malone came forward and asked the City to look at the utility rates.

1:03:11 ~ 4/30/2007 9:35:36 AM

#### **4. Discussion of Mid Year Financial Analysis**

Dottie Zaharako gave a brief presentation to the Commission regarding the mid year review of the budget. She stated the general conclusion regarding the general fund was positive. She stated with the already in place cost control measures that have been implemented as well as various savings would cover the shortfall by year end. She did however state, the City is monitoring the General Fund Electric Utility Tax revenue, Half Cent Sales Tax revenue, and Ambulance fee revenues.

She commended Public Works for their efforts to control budget cost. She stated Fire Rescue OT has been highlighted as a negative variance, in the amount of \$100,000.00 due to three FMLA maternity leaves, one Workers Comp injury that lasted for six months, three bereavement leaves, one retirement in January and another resignation in March. These events were unpredictable. She stated the Fire Rescue would be attempting to make that shortfall up by the end of the year.

The Commission commended Dottie and her staff for the financial reporting and thanked her.

1:29:59 ~ 4/30/2007 10:02:24 AM

#### **5. Discussion of options for utilization of reimbursed excess pension funds.**

Dottie Zaharako gave a brief summary to the Commission regarding the excess funds of \$1.7 million dollars currently available as excess funds. She recommended \$1.3 million dollars be slated toward increasing the emergency reserves to 90 days and use the balance of \$400,000.00 to pay down short term debt to Wachovia or we can place the \$400,000.00 into the Capital replacement fund.

MOTION: COMMISSIONER WAXLER: MOVED APPROVAL OF TO ADD 30 MORE DAYS TO A TOTAL OF 90 DAYS TO THE EMERGENCY RESERVES AND APPLY \$400,00.00 TO THE BANK OF AMERICA LOAN.

SECOND: VICE MAYOR KRAUSKOPF

ROLL CALL

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

1:38:55 ~ 4/30/2007 10:11:20 AM ~ item 6

## 6. Discussion of Proposed New Fiscal Policy

Dottie Zaharako gave a brief overview of the proposed Fiscal Policy.

Commissioner Krauskopf requested asked if the City has an investment policy.

Dottie Zaharako stated that we did, and follows State Statue.

Vice Mayor Krauskopf requested review of the investment policy and its structure.

Attorney Nicoletti stated that the document could include pointers to where they are within the document so it is easier to locate as well as the public.

Dottie Zaharako stated that the policy had not been updated for many years. She believes that it follows guidelines that are extremely conservative and recalls only one time there was a diversion from the policy, when the pension board wanted to become more active in the equity market.

Mayor Hutchinson expressed concern that businesses in the city have to pay taxes on that business, but they are not residents of the city.

Dottie Zaharako stated that the policy would be reviewed in its entirety.

Mayor Hutchinson also expressed concern over the property management fund and its funds.

Mr. Hudson stated the funds in that account are used for current owned city property and its upkeep and maintenance as well as possibly acquiring additional property.

Attorney Nicoletti suggested refining the policy so it enables you to give pieces of it as a revenue source or other operations.

The Commission agreed.

Mayor Hutchinson asked about the language in item 15 regarding the change from commercial to multi family.

Attorney Nicoletti and Dan Hudson stated the point of this is to set policy so they will look at some of the language.

MOTION: COMMISSIONER CHRISTIE: MOVED APPROVAL TO ADOPT THE NEW FISCAL POLICY AS AMENDED.

SECOND: VICE MAYOR KRAUSKOPF

ROLL CALL

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

**7. Capital Improvement Program (CIP) Workshop Review**

2:29:07 ~ 4/30/2007 11:01:32 AM

Dan Hudson gave a brief overview of the Capital Improvement Program. He stated it was quite conservative.

Vice Mayor Krauskopf asked about all impact fees.

Dottie Zaharako stated she would update the calculation of the impact fees based on the new projections.

Commissioner Christie requested that the City Garage site along MLK include dense landscaping.

Mr. Hudson stated staff would look at the best recommended funding source.

Commissioner Waxler felt like the City was putting the cart before the horse with regards to the County and that area. She felt that area is pretty much on hold including Memorial Park until we figure out what our direction is and move forward.

Commissioner Christie wanted to be assured that was included if the City Garage stays where it is.

Mr. Hudson stated that for planning purposes we will put something in the CIP, and if the Commission desires can move it out a year or two that can always be done.

Helen McBride came forward and expressed concern over the 10<sup>th</sup> Street Corridor and the old JD Parker School site. She requested the City make a priority to rebuild the Russell Holloway Track.

Eula Robinson Clark came forward and asked about the planning of the property, in the back of the Eldorado Park was headed. It does show a potential extension to A1A.

Mayor Hutchinson stated there were many roads on maps that do not exist.

Sam Amerson stated he knew of no plans to construct that roadway. He stated it may be right of way.

Mayor Hutchinson noted the recent auction of the historic Owl House, and stated Terry O'Neil was working on preliminary numbers to move the structure before it becomes too costly to move it.

Commissioner Waxler asked about the Shepards Park Boat Ramp.

Sam Amerson stated he was waiting on the State for the submerged lands lease agreement.

Commissioner Christie asked if the Russell Holloway Track is funded next year.

Mr. Hudson stated it would be.

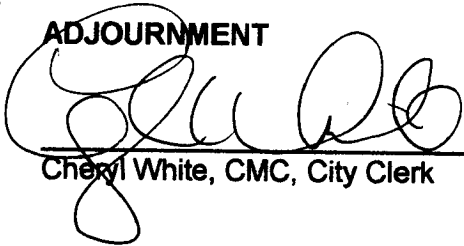
Albie Scoggins came forward and stated the City has users of Parks & Recreation Facilities from North Stuart as well as other jurisdictions. He stated t  
Vice Mayor Krauskopf requested the City run all projects thru FPL for underground lines and transformers.

Key Freeman stated that he would assure notification to FPL on all projects, and stated it was part of the development process, but FPL does not sign off with the City.

Attorney Nicoletti announced the Governor Cabinet Meeting tomorrow for the submerged land lease for the two Marinas. The Vice Mayor and I were supposed to attend and it appears we found out today we are not needed. He indicated that Richard Brightman will be there on behalf of the City.

2:59:02 ~ 4/30/2007 11:31:24 AM ~ Stop Recording

**ADJOURNMENT**



Cheryl White, CMC, City Clerk



Mary L. Hutchinson, Mayor

Minutes approved at the Regular Commission  
Meeting This 21st Day May 2007