

**SPECIAL MEETING OF THE STUART CITY COMMISSION
HELD ON April 9, 2009
AT 9:00 A.M. IN THE CITY COMMISSION CHAMBERS
121 SW FLAGLER AVENUE
STUART, FLORIDA 34994**

Roll call was answered by:

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

Also present were:

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

1. Capital Improvement Element Update

City Manager Hudson gave a brief overview of the proposed meeting.

Doug James introduced the CIP timeline and history. He stated that the Commission should consider an update and amendment of the CIE as part of the City's budget process.

Vice Mayor Mortell suggested looking at a need plan, and not a wish list.

City Manager Hudson expressed concern over the very long list of things that need to be done.

**MOTION: COMMISSIONER KRAUSKOPF: MOVED APPROVAL TO APPROVE STAFF
RECOMMENDATION**

SECOND: VICE MAYOR MORTELL

ROLL CALL;

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

2. Mid Year Financial Review

Dottie Zaharako gave a brief summary of the mid-year review.

Commissioner Hutchinson was concerned over building permit revenues? She asked if there was anything we could do to change the loss for the next quarter.

Dottie Zaharako said they have been keeping the excess building permit funds in a reserve account for lean times, she said they also have already looked at how long that can carry us in the slump. She said the basic operations of the building permit fund, is a break even, and if

there are excess revenues we accumulate them and excess expenses are taken out of the fund. This is the second of three years of evaluating this account.

Mayor Christie: Asked what could happen for this year with those projections on the revenue side?

Dottie Zaharako: Said the long range projections were downward by 50% and we have another \$100,000 hit in sales tax, this would hurt us. On our interest income the rate at 0, and our interest income could go to 0, and that could hurt us. And if oil should skyrocket again that would eliminate the savings this year. This is a possibility.

City Manager Hudson said the last estimate is a bit more realistic and he would not expect the downward decline.

Commissioner Krauskopf: Page 6, Do you feel confident we are going to wrap up with the number you gave us thru this year? I am trying to look past that. In the income from CRA, half from city half from TIF we are using +- \$280,000 of that for police. What year are we in?

Dottie Zaharako stated we were planning on phase out in 2012.

Commissioner Krauskopf asked when that returns to the general fund what is our thought process now, or do we have one in place to deal with coming out of that?

City Manager Hudson said we need to look out 3 years.

Commissioner Krauskopf: Asked about the property management fund and its contribution to the General Fund.

City Manager Hudson: It goes to offset the cost of maintaining public properties.

Commissioner Krauskopf: What the funding mechanism, and cash flow on property rentals.

Dottie Zaharako stated she has available 5 year projections on all lease incomes.

Waxler: Wants update on Northpoint project. She also wants a transition smooth for the dockside property. She wants to see a future project for public use on the property. Waxler said she saw this and took a great big sigh of relief. She stated she appreciates the staffs support, and appreciates the budget.

3. FY 2010 Budget Discussions

Dottie Zaharako gave a brief review of the 2010 budget. She gave an estimate of future property values and the decrease percentages. Revenues are estimated and Department Heads were instructed to begin their early budgets for 2010. The budget process is now starting and the numbers are being fine tuned from January.

The property appraiser will give us the numbers July 1st. She added 12.8% reduction in property values so we are looking at that number for 2010.

Commission Krauskopf asked if the 4.33 millage would stay the same?

Dottie Zaharako: Same rate.

City Manager Hudson explained that the City of Stuart financial situation is not as bad as Martin County.

Commissioner Krauskopf asked if the City was still working with FEMA and does the City anticipate any further revenues coming in from the storms?

Dottie Zaharako explained the City is still in review with FEMA .

City Manager Hudson stated the City has been reimbursed everything from FEMA.

Commissioner Krauskopf noted that Martin County is beginning their furloughs May 1st, he asked what the City is looking at.

Dottie Zaharako explained that the City is looking at three furlough days per year which would be the Birthday holiday and two optional holidays already issued. They would continue to take those days off but without pay. This would be across the board for all employees. She further explained that the format being presented here today is the projected deficit. The first group of options listed is what the City Manager plans to implement. The second group of options are; additional available options that can also be implemented.

Commissioner Hutchinson stated her goal was to not lose any positions, because there are no jobs out there for people to go to. I think we need to do everything we can to save the positions that we have here. That is my number one priority. She also expressed concern over furlough days and if that would create overtime for people.

City Manager Hudson explained the furlough needs to be uniformed to everyone, and the three days a year is manageable to not create overtime.

Commissioner Hutchinson noted the following options to consider elimination of merit, decrease in pay across the board between 1-5%.

Mayor Christie asked about the contingency fund.

Dottie Zaharako explained the fund was set up for emergencies in the event of an un-budgeted item like, an engine in a fire check that goes out. Every year the City has money left over and it is possible for 2009 that there could part of the contingency to roll over. It is re budgeted every year.

Commissioner Waxler stated the elephant in the room is fire rescue services here and until we get a handle on that, everything else we talk about that is hard to factor it in. She said we want to avoid reduction in services, but we may need to take a real hard look at non basic services we are providing to the residents. She recommended that the City meet as early as possible to look at the budget and make the really hard decisions with pre budget workshops.

Commissioner Waxler agrees that the City should look at giving up a percentage of pay instead of layoffs.

Commissioner Krauskopf: Mentioned an article in the news about Comcast and stated that the majority of private corporations are doing is anywhere from 2-20% reductions across the board.

Mayor Christie: Keep the City solvent and appreciates the work Dan and Dottie have done.

Commissioner Mortell suggested meeting early with the unions.

City Manager Hudson stated he would take all comments as direction from the Commission.

4. 2008 Commission Strategic Plan Update

City Manager Hudson gave a brief overview and explained that a couple of items have been put on hold due to budget constraints. He explained a majority of the items that were on the list have been completed. He stated there were very close to the Community Services Department for Parks and Recreation was very close. He stated this could be done without adding staff. He said it would be brought forward before the budget. He also stated there will be a meeting next week to discuss the plans for Memorial Park.

Commissioner Hutchinson stated that before the City can make any budget decisions we need to look at the Fire issue.

Commissioner Waxler agreed the City needs to meet early with the unions.

ADJOURNMENT :10:22 A.M.

Cheryl White, CMC, City Clerk

James A. Christie, Mayor

Minutes approved at the Regular Commission
Meeting this 27th Day April 2009