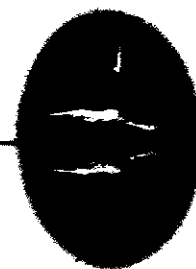


Town of Indian Shores

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TOWN COUNCIL WORKSHOP

MINUTES - JULY 17, 2012

INDIAN SHORES TOWN COUNCIL WORKSHOP MEETING convened at 2:00 P.M.
Those present were Mayor Lawrence, Vice Mayor Herndon, Councilor Smith, Councilor Sutch and Councilor Irelan.

Also Present: Chief Williams; Marcia Grantham, Town Clerk; Mary Karayianes, Director of Finance; Anne Miller; Art Newsome.

1.0 Discussion/review of draft Budget for FY 2012/13.

Mary Karayianes, Director of Finance, reviewed her Memo dated July 17, 2012, advising the total assessed value is \$618,622,003.00, which is a reduction of 1.30% over last year, which reduction results in a loss of \$14,144.00 in budgeted ad valorem tax revenue.

The Director of Finance briefly reviewed Revenues, Expenditures and Fund Balance, noting "zero" COLA and Merit were budgeted, with operating expense showing an increase of \$68,803.00 over last year which is a 15.1% increase, which includes more support and maintenance contracts.

The Director of Finance noted the listings by Departments, (Council, Administrative, Finance, Building Maintenance, Parking, Police, Building, Library, Public Services, Interfund Transfers), together with summary of Personnel, Road and Bridge Fund and Capital Improvement Fund. Noted the CIP fund reflects tennis court improvement, playground improvements and a Police vehicle.

The Director of Finance reported there is a budget shortfall of \$132,041.00.

James J. Lawrence
Mayor

E.D. Williams
Town Administrator
Chief of Police

Joan G. Herndon
Vice Mayor

Mary Karayianes
Director of Finance
and Personnel

Carole Irelan
Councilor

Marcia Grantham
Town Clerk

Steve Sutch
Councilor

James Yacavone
Town Attorney

William F. Smith
Councilor

Lawrence G. Nayman
Building Code
Administrator

The Director of Finance reported the two recommendations for balancing the budget, as follows:

Option 1: *Recommend, at a minimum, increasing the millage to just below the Rolled-Back Rate of 1.8700, and transferring \$120,040.00 from the Unassigned Fund Balance.*

Option 2: *Recommend increasing the millage rate to 1.9600 (a tax increase) that would generate an additional \$66,007 in tax revenue AND reduce the amount needed from the Unassigned Fund Balance to \$66,034.00.*

Discussion followed among Council members with the Director of Finance responding to various questions.

The Director of Finance stated that any millage rate above 1.8744 has to be advertised as a tax increase.

Mayor Lawrence pointed out there is not a solid foundation for knowing what will happen with personnel next year, and rather than advertise a tax increase, would like to consider taking some funds from General Fund and go with a millage rate of 1.8700, and try and save throughout the year wherever is possible.

Chief Williams reported there is some potential in the building department for some fees on a proposed project, noting the building fees are 1% of the construction cost.

Chief Williams also reported that last year some assumptions had to be made with regard to the building, noting it is under warranty for the first year, and this is the first year for having multiple maintenance agreements which was a drastic increase. He stated there is an under budget in the current FY because actual usage exceeds the \$4,000.00 per month assumption used in the budget process. He stated hopefully there will be some savings on a couple of issues in the future.

Mayor Lawrence stated that over the next 4 years the Town will receive \$400,000.00 each year from the County for reimbursement of the utility undergrounding effort and need to begin thinking of projects which the Town can do after the reimbursement to utilize the second 2 million dollars available for Gulf Boulevard improvement.

It was a consensus of the Council members to proceed with a millage rate of 1.8700, with the remaining needed funds coming from Fund Balance, and try and make that figure smaller throughout the year.

TOWN COUNCIL WORKSHOP MEETING adjourned at 2:50 P.M.


MARCIA GRANTHAM, Town Clerk