

**FORT MYERS BEACH
TOWN COUNCIL WORKSHOP
SEPTEMBER 12, 1996**
Nations Bank, Council Chambers
2523 Estero Boulevard
FORT MYERS BEACH, FLORIDA

I CALL TO ORDER

The meeting was opened on Thursday, September 12, 1996, at 6:35 P.M. by Anita T. Cereceda, Mayor.

Present at the meeting were: Anita T. Cereceda, Mayor and Council Member; Ted FitzSimons, Vice Mayor and Council Member; Council Members Rusty Isler, Ray Murphy, and Garr Reynolds; Marsha Segal-George, Town Manager; and Attorney Richard Roosa.

II PLEDGE OF ALLEGIANCE

All assembled recited the Pledge of Allegiance to the flag.

III DISCUSSION ON THE BUDGET

Johanna Campbell commented on the municipal utility tax. She likes it, but she doesn't want to see it this year if it is not necessary, but would like the Council to wait and see what next year holds. She reminded them that some of the Council ran on "no new taxes". Mr. FitzSimons commented on Mrs. Campbell's statement that "if we can get along without it", saying he would rather err on the side of fiscal responsibility than to regret later that it wasn't done. Mrs. Campbell said that later in the year, if there was going to be a shortfall, the Council could find a way to raise the money then.

Mr. Murphy said that although he ran on "no new taxes", he had a disclaimer in his literature that he would raise taxes if it became absolutely necessary, but he doesn't think we are at that point.

Marsha Segal-George explained why the revenues were broken down into so many categories. Although they all come from the state, they come in separate checks.

The Town still has a question on the money invested in Tallahassee. If it is paid off, the Town will no longer be able to count on that money as a reserve. It does not have to be paid back until the end of December, and the first revenue from millage will start arriving in November. Things will be tight until then.

Mr. Isler stated that he does not like utility taxes because it looks like you are trying to raise a tax without letting anybody know. If the Town needed more money, they should have raised the millage. But it is too late for that now, and if the Council removes that revenue source, there will be nothing in contingency. There is not much in the budget that is discretionary. If it gets late in the year and the Town needs more money, he would rather raise the millage on next year's budget, but if we can't make it this year, he would not be opposed to using the municipal utility tax this year. He does not think it is fiscally responsible to have so little reserves, and rolling over the \$500,000 is not a reserve. Mr. Roosa reminded the Town that they can only borrow for three years.

There are other funds that are not counted on in the budget. On page 1 in the budget it refers to money that is being held by the County DOT, but because of our history with the county, there is some uncertainty if the Town will ever get it. On page 10, it mentions \$47,000 for the cable fee, but because we cannot count on it at this point, it has been removed.

Mr. Roosa confirmed that if the Council does not pass the municipal utility tax now and they need money later, they can add it by amending the budget or borrowing money. But the Council was reminded that the municipal utility tax takes about three months in lag time before the money starts to flow.

The Town does not get any of the bed tax dollars directly. However the County can use some of the money for red tide cleanup or work on Matanzas pass.

Mayor Cereceda expressed the feeling that perhaps the municipal utility tax is a more equitable way of raising taxes because there are so many residents who are not homeowners, particularly seasonal people and service workers who rent, but they still use the roads and other services even though they don't pay ad valorem taxes. The seasonal people will only be hit with it when they are here using electricity, not when they are back up north.

Marsha Segal-George said the Council needs to address some policy decisions. Do they want to build a reserve or borrow their contingency? She would like to build the reserve for three years. The other issue is an expectation issue. If you are going to enact the municipal utility tax, do it, but don't hold it over the heads of the residents that you might do it later.

She has met with the county on land use issues. The County Attorney's office has taken the position that county staff will not help interpret the code for us. Mr. Roosa is still talking with the County Attorney, but the Town may have to spend a lot more money on attorney's fees than originally thought.

The Town is probably not going to pursue the gas tax in Tallahassee. There are still some political avenues to pursue with the commissioners, but probably not through the courts.

The status of the Long Property acquisition is in "offer/counter offer." The Town should hear in October how the chances for the preservation grant look. If the grant is successful, it will come in December and should pay for the whole property.

Marsha Segal-George said that \$452,600 for landscaping, sidewalks, and bike paths will not buy much. Once the Town passes their comp plan, this amount for capital improvements would not pass muster, because you have to prove the ability to fund the plan.

The Ice Tea funds that have been promised to the Town probably won't be available until 1997-8.

She has heard that core level service for trolleys is going to be one per hour, even in season. This will need to be upgraded and that will cost extra.

Mr. FitzSimons said that some people think the Town needs their own police force, and that will take extra funds.

On page 3, the question was asked for clarification on the wording "all property is assessed at 100% of real value which approximates 85% of market value." This takes into account the \$25,000 homestead exemption, and is a statutory formula.

John Gucciardo reported that the auditors have suggested that the town pay Surety Construction \$7000 now (representing rent payments for March through September 1996) and pay \$9000 after October 1 (toward future 1996-7 rent payments.)

Interlocals with DOT and Mary Gibbs are in process.

The staff is not proceeding on the All-Hazards interlocal unless the Council directs them to. The staff has asked for a quote from the City of Fort Myers for hazardous material removal and that will probably need to be added to the budget.

Johanna Campbell said that when the incorporation committee did the budget, they counted on the County giving the Town the gasoline tax at the same rate as Sanibel, plus the County is giving the town less on other items. But she feels that the incorporation committee generally hit the budget pretty closely. She does not think the Council has to hurry so fast on these other projects. But still, if the Town needs more money, she would prefer a municipal utility tax rather than a millage increase next year.

It was clarified that if the Town does not institute the municipal utility tax, the taxpayers on the island will pay less tax than last year. If they add the municipal utility tax, there would be a small net raise in taxes. Mr. FitzSimons stated that the net impact on a resident will be about \$11 per year if the Town imposes the new tax, and he is willing to take the heat of "you promised no new taxes" over \$11.00 if it allows the Town to become more fiscally responsible. Sanibel, Naples, and Fort Myers have the municipal utility tax, and most are at 10%. The County is also considering the tax for the unincorporated areas to be implemented later in the year at 3%.

IV LPA ALTERNATES

Since listening to the taped minutes did not clear up the question of which alternate on the LPA is first alternate, the Council was given copies of their original ballots to interpret. Since some council members felt that their vote gave more weight to their number one choice than their number two choice, and other members felt that they were voting for two alternates equally, the Council decided to amend the LPA ordinance so that the membership will be "not less than 7 nor more than 9" and then make all 9 members of the LPA full voting members. Mrs. Roosa will draft an amendment to the ordinance.

V ADJOURNMENT

The meeting was adjourned at 9:00 P.M.

Respectfully submitted,

Peggy Salfen
Recording Secretary