

**FLAGLER ESTATES ROAD & WATER CONTROL DISTRICT
BUDGET HEARING WORKSHOP AND REGULAR MEETING
September 21, 2017**

Proceedings of the second Budget Hearing Workshop and Regular Meeting of the Board of Supervisors of Flagler Estates Road and Water Control District were held in the District conference room located at 9850 Light Avenue, Hastings, Florida 32145.

Present: William Fisher, President
Karen Frenz, Vice President
Kathy Carter, Secretary
Rusty Castleberry, District Attorney
Seth O'Connell, District Treasurer
Mike Paesch, District Foreman
Linda Gee, District Administrator

Also attending were J. C. Manton, N. Rapicault, Carl Alve, and John Lawrence.

BUDGET HEARING WORKSHOP

Call to Order: Mr. Fisher called the meeting to order at 7:05pm, followed by the Pledge of Allegiance.

Agenda Changes: None.

Workshop meeting items:

1. FY 2017-2018 Budget - (see **Financials, Proposed Budget Fiscal 2017-2018**) Seth stated this is the second and final budget hearing for the new fiscal year but that the assessment was set last May and will not change. With one minor change for informational purposes, the budget is essentially unchanged from last year's. He confirmed that Board changes must be presented and passed at this meeting.

Karen said she had several items for discussion. The first dealt with budget category 55459, Other Current Charges, which is solely the "employee appreciation fund." Karen stated her opinion that between salary and benefits, the employees are compensated adequately. She further noted that the Board has asked several times for specific expenses for these events but none have been provided. Kathy asked whether, and Seth clarified, this budget category is strictly for staff appreciation events. It is. **17-09/21-01 Karen Frenz made a motion to eliminate this category in entirety, seconded by Kathy Carter, who both voted for the motion. Bill Fisher dissented. Motion passed.**

Karen's second issue dealt with the 3% cost of living adjustment (COLA) that was built into employee salaries for the new fiscal year and said she believes it should be discontinued. Kathy concurred, stating the COLA is an idea that was initiated by Congress in 1975 when inflation was considerably higher and government, which is the primary proponent of COLA, paid less than private industry. She referred to it as a "pay raise for no reason," pointing out it is not based on merit or productivity, or any of the other reasons for which employees generally receive salary increases. **17-09-21-02 Karen moved to eliminate the COLA for all employees, with Kathy Carter seconding the motion. The motion passed, Bill Fisher dissenting.**

Karen inquired if the employees contribute to their health insurance or retirement funds. They do not; the District covers both 100%.

17-09/21-03 Bill Fisher made the motion to approve the budget with the changes as voted on, Kathy

Carter seconded, and the motion passed. Bill Fisher dissenting. Seth will incorporate the changes and produce the report, funds to be allocated accordingly for the first October meeting.

The budget meeting was adjourned.

REGULAR BOARD MEETING

Approval of the Minutes: (17-09/21-04) A motion was made by Karen Frenz to approve the minutes from the September 7, 2017 meeting as presented. The motion was seconded by William Fisher and passed. Kathy Carter abstained, having been absent.

Treasurer's Report: Seth had reviewed the warrants for the last meeting and said he would review the current payables, those for the period September 8 to September 21, 2017 (**Attachment 1**) as the meeting progresses. Karen asked if Mike had obtained the new figures for coverage on the equipment, which will change the premium to allow for depreciated value (ACV, actual cash value) rather than cost of equipment when purchased. Mike hasn't completed that yet but should be able to provide numbers soon with assistance from Ring Power. Because the policy must be renewed prior to October 1, 2017 for continued coverage, Seth recommended approval of payables at this time, including the District policy with Thompson Baker. Once those new figures are submitted and changes made, the agency will issue a check for the difference in premium. **(17-09-21-05) Kathy Carter made a motion for approval of payables as presented, Karen Frenz seconded, motion passed unanimously.**

Seth provided a thorough review of the financial statement as of August 31, 2017 (see **Financials, August 31, 2017**) and answered Karen's and Kathy's questions about interpreting some of the numbers.

(17-09/21-06) Bill Fisher moved that we accept the August 31, 2017 financial statement, seconded by Karen Frenz, passed unanimously.

NOTE: At this point in the meeting, the tape recorder shut off (39:33). The remaining portion of the minutes, with the exception of motions recorded in my notes, has been culled from memory and may be somewhat incomplete as to discussion that took place.

(17-09/21-07) Bill Fisher made a motion, seconded by Karen Frenz, passed unanimously, that amendment to the 2016-2017 general fund budget be accepted as presented to conform with actual revenues received and expenditures incurred. (Attachment 2)

(17-09/21-08) Kathy Carter moved to accept the budget amendment to the capital projects as presented, seconded by Karen Frenz, passed unanimously. (Attachment 3)

Attorney's Report: Rusty presented the idea of seeking an objective third party to perform an evaluation of various aspects of the District for the betterment of Board, staff, and the Flagler Estates community. A resident had suggested this some weeks ago and Rusty said he perceived interest on the part of the Board. He went on to suggest that a resource for a recommendation could be Fred Crawford at the Florida Association of Special Districts, with whom Linda has a relationship, and suggested she be the person to make the call.

Kathy and Karen agreed this could be very worthwhile in allowing Board and staff to move ahead, but Bill voiced various objections—i.e., an unrealistic price point for the service and his belief that "it's not broken, so why fix it." Both Karen and Kathy stated firmly their opinions for the need for outside assistance, at which point Bill assumed a threatening posture by turning toward Karen and standing over her, throwing the gavel on the table toward her while stating she could handle things from there because he was quitting. Karen retorted, pointing to Bill's abuse of his position in authorizing employee use of District resources after the recent storm,

to which Bill said no other Board member was present for a second okay. Karen stated that was absolutely untrue and confirmed her having been home and available via cell phone. At that point, Bill became so angry he looked toward Rusty and demanded law enforcement be called to remove Karen for trespass. When asked for justification, Mr. Fisher quoted part of Florida Statute 871.01, which prohibits disruption of public meetings. There was no response to this, and Bill left the building, forcefully slamming the door.

After a poignant pause, discussion continued. It was agreed that Board members should submit to Linda a list of areas they wish to be addressed by a qualified third party, whereupon Linda would combine all into one list and return that list to each supervisor for approval. Then a call would be placed to Mr. Crawford for a recommendation.

District Administrator's Report: Linda had submitted her report (**Attachment 4**) and there were no updates.

District Foreman's Report: Mike had previously submitted the bulk of his report (**Attachment 5**) and briefly reviewed the roadways, driveways and culverts that had been impacted by the storm. Kathy said she'd received an email from County Commissioner Jeb Smith requesting Board support of his efforts to obtain federal assistance with cleaning of Deep Creek at CR 13, which Mr. Smith feels is a large part of the flooding problem; but there was little positive response because it has been on the County agenda for some time with no results. Mike provided an update on the MT525 and MT465 tractor repairs.

There was nothing on the **Consent Agenda** or pertaining to **Old Business**.

Public Comments:

Carl Alve said that although he had spoken against the expenditure of funds for employee appreciation events previously, he had reconsidered and thought perhaps they had some merit. He respectfully asked the Board to reconsider their decision.

Board Comments:

Karen Frenz asked that a request be made for Scott Knowles' attendance at the next meeting to discuss drainage issues as well as the impact of tractor trailer traffic on the bridge. She asked Mike if there was any obstruction at the CR 13 & Cracker Swamp Bridge and he acknowledged there is indeed an obstruction under the bridge. As a last item, Karen verified with Linda that computer back up was being accomplished on a daily basis, including safe storage.

There being no further business, the meeting was adjourned at 8:28PM.

Respectfully submitted,

Kathy Carter, Secretary of the Board