

**CITY OF ANNA MARIA  
CITY COMMISSION PRELIMINARY BUDGET WORK SESSION  
MEETING HELD AT ANNA MARIA COUNCIL CHAMBERS  
10005 GULF DRIVE – ANNA MARIA, FL  
THURSDAY, MARCH 18, 2010  
10:00 A.M.**

**CALL TO ORDER**

Chair Quam called the Budget Work Session to order at 10:00 a.m.

**PLEDGE TO THE FLAG**

**ROLL CALL:** Mayor Fran Barford, Commissioner Jo Ann Mattick, Vice-Chair Dale Woodland, Chair John Quam, Commissioner Harry Stoltzfus, and Commissioner Chuck Webb (10:50 a.m.)

**Staff Present:** City Clerk Alice Baird, Finance Director/Deputy City Clerk Diane Percycoe, Public Works Director George McKay, Sergeant Turner.

**1. Budget FY 2009-2010**

*Finance Director/Deputy City Clerk Diane Percycoe* informed it had been a very busy six-month period for the City staff. Grants have been received, stimulus funds have come in, she was currently in the process of finishing up the audit, staff is working on permit fees with possible reductions in certain areas, the City has reached a tentative lease agreement with the lessee of the City Pier, and numerous records requests have been received and processed.

**a. Brief Analysis of Current Financial Statement**

**1. Revenues –**

Ms. Percycoe reviewed the Financial Report dated February 28, 2010. The Stormwater Utility Fund Balance Prior year amount of \$62,567.38 has been added. The fund is a designated fund only to be used for Stormwater Utility maintenance.

The Capital Improvement Fund: Line of Credit figures have also been added. The project is currently 92% complete and a complete run-down on the expenses will soon be provided to the Commission.

Ms. Percycoe informed that the City was just reimbursed the full amount for the Phase I Stormwater Utility project.

The Financial Statement – General Fund for the six months ending March 18, 2010 was reviewed by Ms. Percycoe. She noted that the City was not doing too badly on the revenue side as compared to some of the other cities.

Ms. Percycoe informed that the Carry-over from Reserves and the Business Contribution for the Trolley had been carried over. The Carry-over ESU Prior Year Balance has also been included.

**2. Expenses –**

- Ms. Percycoe referred to 5120.05-PW – Regular Salaries and Wages and explained why that line item was over budget.
- 5140.25-BD – Other Contracted Services – Expenses for the Building Official (MT Causley contract) only.

- 5140.30-AD, BD, CE & PW include expenses for both the Planner and Minutes Clerk.

### 3. Financial Impacts –

- Ms. Percycoe informed that the FL growth rate was -1.89.
- The County Property Assessor has informed that the estimated assessed values will drop approximately 7 to 9% - calculating to a drop of \$103,508. Since 2006, the ad valorem has dropped 26.77% for a total of \$415,886.
- Discussion regarding hurricanes and potential lawsuits and how they could affect the current, 2010, 2011, and future year budgets followed. Ms. Percycoe gave examples of increasing staff overtime, consultant expenses, advertising due to potential Ordinance revisions, Attorney fees, and temporary employees' salaries.
- No indication yet as to any Consultant, Attorney, or Sheriff's fee increases.
- Costs continue to increase for outside services and products while revenues are declining.
- *Mayor Barford* announced that Sergeant Turner had prepared an analysis as far as the cost to each taxpayer for Law Enforcement services. The analysis will be forwarded to the Commission for their review.

*Finance Director Percycoe* asked that the Commission advise her of any dates they would be out of town during July through September so that the budget calendar can be set.

## 2. Budget FY 2010 - 2011

- TRIM Process
- Budget Calendar
- Budget Format
- Economic Outlook
- Assessed Values

No discussion at this time.

## 3. Discussion.

*Commissioner Woodland* noted he requested the preliminary budget work session last September. He felt there is a serious problem that the City needs to address. He suggested that the problem the City is facing needs to be defined, Commission brain-storming needs to follow, and then the Commission should meet in approximately one month for further discussion. It was his opinion that changes will need to be made and based on each Commissioner's ideas; the ideas should then be prioritized.

*Mayor Barford* informed that the next budget year would include 7% to 9% less ad valorem taxes for a loss of approximately \$103,000. She said there has been indication that the economy may pick up in 2012.

*Commissioner Woodland* noted that the amount taken from the Reserves last year was to be paid back this next budget year. He pointed out that the reserves amount would be in addition to any loss. He felt that the Reserves were to be used for unanticipated expenses such as Attorney fees and lawsuits.

*Ms. Percycoe* reminded that would be if the Commission wanted to stay at the 35% reserves. She pointed out that the City cannot sustain the current millage rate.

Commissioner Woodland stated that the City must do things differently in order to maintain the same service level to the citizens. He said though increasing taxes is something to consider, he hoped that none of the Commissioner's wanted to do so.

Commissioner Woodland suggested that each Commissioner provide a list of reduced expense suggestions, that the City Clerk provide them with the entire list, and that both the Commissioner's and staff each prioritize the list prior to meeting again. Commissioner Woodland's suggestions were as follows:

- Consolidation of services by all three Island Cities. Examples include the Building Department and Legal services.
- Salary freeze.
- Salary reduction.
- Benefit reductions such as co-pays, deductibles, etc. Employees absorb benefits over a five-year period.
- *Mayor Barford* suggested looking at reducing salaries for the Elected Officials.
- Raising taxes / ad valorem tax rate.
- Place a hold on new planned projects and create reserve accounts. *Public Works Director McKay* informed that roads and maintenance programs were proposed for the next budget year. Commissioner Woodland gave the example of placing the following year's proposed project amount into the budget a year ahead of time. He noted paying cash could allow for getting a better deal.
- Maintain existing infrastructure.
- No more stimulus funds or grants with strings attached. *Mayor Barford* informed that the other Cities will receive Anna Maria's stimulus dollar share if Anna Maria were not to accept it.
- Questioned if there were any new legitimate sources of revenue. It was noted that other cities collect annual Business Taxes that is not collected by Anna Maria. Discussion followed relating to the proposed Manatee County Business Tax proposed at \$35 per business annually. *Mayor Barford* noted that Holmes Beach has taken the position of not supporting the proposed County Business Tax. *Commissioner Mattick* pointed out that Anna Maria's portion of the Manatee County tax did not have to be returned to the County and could be retained by the City as an additional revenue source.

*City Clerk Baird* explained that it was the City Attorney's advice - at the time they had previously collected the Business Tax in Anna Maria - that because the process did not properly follow Florida Statute pertaining to the Equity Study, that the City no longer collect the tax.

- Reduce Law Enforcement costs as far as the use of auxiliary support and number of officers. *Commissioner Woodland* stated that Law Enforcement was the largest line item in the budget.

*Sergeant Turner* asked for clarification. *Commissioner Woodland* stated he would be looking for input from *Sergeant Turner*.

*Sergeant Turner* discussed free services and cutting back in hours. He explained that the City's Charter states that the City shall have a Police Department and Police Chief.

As far as cutting back in personnel, *Sergeant Turner* stated that the City must present him a document to take to the Sheriff's Office requesting the reduction of officers. He said he did not feel the City's residents would be in favor of eliminating the night shift.

- Suggested all elected officials and employees pay some or all of their retirement.

*Finance Director Percycoc* informed that legally the employees could not contribute towards the State retirement plan.

*Note: Commissioner Webb was noted arriving at 10:50 a.m.*

- Discussion followed relating to the share of taxes that go towards the County and the School Board. *Finance Director Percycoc* explained that 31.8% of the City's population is homesteaded with homestead exemptions and 56.2% of the population is non-homesteaded.

*Mayor Barford* informed that she had a good relationship with the two Island County Commissioners and with the County Administrator. It was noted that 44% of Anna Maria's taxes go directly to the County.

*Chair Quam* suggested that the issue be discussed at the next BIEO meeting.

- *Chair Quam* said he was not in favor of any police protection cutbacks. He was in favor of retaining a portion of the Tourist Development Tax.
- *Commissioner Mattick* reminded that tourists coming to Manatee County will visit Anna Maria's City Pier. She suggested charging for parking via a ticket box – even if only \$1.00 per day (excluding City residents). An individual could be hired to collect the parking fee. She pointed out that the newspaper recently estimated 300,000 City Pier visitors. She further recommended that vehicles could be charged to park in the City Hall parking lot. She felt the City should take advantage of all the tourism. *City Clerk Baird* informed that Bradenton Beach had checked into the issue of paid parking for the Bridge Street area. *Commissioner Woodland* pointed out that all Anna Maria visitors come to the City for free. He felt there could be some sort of reasonable fee from the visitors.

- *Commissioner Webb* explained that the County's Business Tax must be utilized for Economic Development only.

**Public Comment**

**Bob Barlow** felt there was a need in the City for an approximate \$100,000 in additional revenue or a reduction of expenses. It was his opinion that the City Officials should take a leadership role and reduce their expenses.

Mr. Barlow further suggested looking into operating the City Hall on a four-day workweek basis – Monday through Thursday. Doing so would cut the overhead such as the heating, lights, and air-conditioning expenses, etc. It would also allow for an added benefit to the staff by providing them a longer weekend.

Mr. Barlow also suggested that the number of meetings, such as those held for the past few months, be reduced. Due to the nature of the recent meetings, the City Attorney, Building Official, and City Planner are required to attend - resulting in an approximate \$600 to \$700 per hour cost to the City.

*Finance Director Percycoe* suggested holding the meetings during the day rather than the evenings.

*Commissioner Stoltzfus* felt that the Planner, Attorney, and Building Official were not required at a lot of the meetings. He noted there was often a lot of staff present also.

*Mayor Barford* cautioned the Commission reminding that the City is facing a lot of legal issues. She informed that she had been tracking the consultant expenses and noted that the City Attorney costs had increased significantly since the election.

*Finance Director Percycoe* explained that Department Heads receive comp time rather than overtime pay.

*Chair Quam* pointed out that the Chair, Mayor, and City Clerk make a decision as to who is needed at each meeting.

*Finance Director Percycoe* questioned if the Commission wanted the City to aggressively pursue lowering the CRS rating. Due to the cost to manage it, a line item will be required. Explanation followed.

**Next Meeting Date**

The tentative date of Monday, May 3, 2010, 10:00 a.m. was set as the next City Commission Budget Workshop.

**Adjournment**

**On motion made by Commissioner Woodland and seconded by Commissioner Webb, the meeting was adjourned at 11:20 a.m.**