

**CITY OF ANNA MARIA  
CITY COMMISSION PRELIMINARY BUDGET WORK SESSION  
MEETING HELD AT ANNA MARIA COUNCIL CHAMBERS  
10005 GULF DRIVE – ANNA MARIA, FL  
MONDAY, MAY 3, 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, Vice-Chair Dale Woodland, Chair John Quam, and Commissioner Harry Stoltzfus.

**Staff Present:** City Clerk Alice Baird; Finance Director/Deputy City Clerk Diane Percycoe; Public Works Director, George McKay; Administrative Assistants Ann Marie Thorpe and Diane Sacca; Code Enforcement Officer Gerry Rathvon; and Building Official Bob Welch.

**1. Continued Discussion Regarding the Fiscal Year 2010-2011 Budget.**

2010 Census

*Finance Director Percycoe* informed that the 2010 Census Mail Participation has closed. The U.S. Census Bureau representatives will now be going door-to-door to gather information from those that did not respond to the mail-out requests. Anna Maria's mail participation rate is down 45%. She encouraged everyone to participate in completing the census form. Due to being based on population, the information will affect State, County, and local municipality revenues.

Ms. Percycoe felt that the reason Anna Maria's participation was down was due to the Post Office not forwarding any mail. Unless the resident picks the mail up from the Post Office, it would either be returned to the Census or left in their box.

*Chair Quam* suggested that an ad be placed in the newspaper to explain how important it was to return the census information.

Budget Ranking

*Finance Director/Deputy City Clerk Percycoe* referred to the results of the ranking sheet and summary sheet, as requested by Commissioner Woodland, relating to how to address the projected reduced state revenues and declining assessed values. Seven employees and the Commissioners, with the exception of Commissioner Webb and Mayor had participated in the ranking for budget considerations. Results were posted in the Council Chambers.

*Commissioner Woodland* noted that the rankings served as a good exercise and also provided insight on how close the thoughts were between the staff and the City Commission.

A review of the ratings followed. Comments were as follows:

Consolidation of Island Services – *Finance Director Percycoe* said some services were considered. The City had tried utilizing shared Building Official services with Bradenton Beach; however, the difference in the City's code requirements makes it difficult. Also, both City's were utilizing the Building Official on a part-

time basis and it was later determined that each City needed a Building Official on a full-time basis.

*Mayor Barford* noted that Anna Maria and Bradenton Beach utilize the same company for Building Official responsibilities.

*Commissioner Woodland* suggested that Mayor Barford bring up the issue of consolidation of services at the next BIEO meeting.

Employee Salary Freeze – *Chair Quam* said he had recommended an employee salary freeze for one year.

*Finance Director Percycoe* noted that staff was not responsive to a salary freeze since all salaries were frozen the previous two years.

Employee Salary Reduction – There is no interest in addressing any salary reductions.

Employee Benefit Reduction – *Ms. Percycoe* stated that staff was trying to look at the benefits and obtain the most cost effective avenues relating to the insurance rates. She stated that the employees do not want to give up any benefits and noted that the other Island cities have better benefits than Anna Maria.

*City Clerk Baird* informed that for the past three years staff has been paying for a portion of their benefits out of their own pockets – examples are short term disability insurance, accident death and dismemberment insurance, and cancer insurance policies.

*Commissioner Stoltzfus* asked if there was any other organization that the City could tie into to obtain reduced rates.

*Ms. Percycoe* said the City continues to try to piggyback with the County pool plan. *City Clerk Baird* said the County asked that they contact Holmes Beach. After contacting Holmes Beach, it was determined that piggybacking off the Holmes Beach plan would be good for Anna Maria but would hurt Holmes Beach.

Elected Officials Salary Reduction – *Chair Quam* said he was not in favor of reducing or doing away with the elected officials salaries. He voiced concern that reducing the salaries could cause discrimination against someone who would not be able to run for office due to financial concerns.

*Commissioner Woodland* felt reducing the salaries would allow the Commission to do their part towards balancing the budget. Discussion followed relating to the possible legal requirements in order to reduce the salaries. *Ms. Percycoe* noted that reducing the salaries would also affect the Commissioner's retirement contributions.

Increase Millage Rate – *Finance Director Percycoe* explained that the assessed values keep pulling the City down. She suggested that the millage rate could be increased just enough to get the same amount of revenues this year as last year. The negative roll-back rate over the past couple of years is a result of the declining assessed values. The other option would be to utilize reserves again.

*Commissioner Woodland* agreed that increasing the millage rate would generate a lot more revenue. However, there would be an impact on the residents.

*Ms. Percycoe* informed that 56% of the revenues received were from taxes. Other cities collect various fees for services that Anna Maria does not collect.

*Chair Quam* asked how quickly that new construction got on the tax roll. *Building Official Welch* and *Code Enforcement Officer Rathvon* explained.

Hold on New Projects/Create Reserve Accounts – *Finance Director Percycoe* referred to how the money has been held in reserve for five years for purchase of a tractor. She noted that the majority consensus was that there would be a need to place a hold on new projects and capital equipment.

No More Stimulus Funds/Grants With Strings – *Commissioner Woodland* used the example of the sidewalk construction on N. Bay Blvd. and Gulf Dr. He said he was unaware that the stimulus funds would be utilized for that purpose.

*Mayor Barford* informed that stimulus funds were used for the bridges – which the repair to the Bridges should be good for twenty-five years. An additional repair is needed on the bridges where the seawall and retaining wall were not corrected. In addition, stimulus funds were used for resurfacing of Pine Avenue and Gulf Drive were repaved, reclamation. The City is also looking at stimulus funds for the Trolley shelters.

*Commissioner Woodland* felt it would be good to have permeable sidewalk surfaces. He was frustrated that it could not be accomplished when utilizing the stimulus funding.

Reduce Law Enforcement Costs – *Finance Director Percycoe* was not sure what the law enforcement costs would be for the next fiscal year. She noted that the costs had not increased significantly over the past two years. However, the law enforcement costs were a huge portion of the City's expenses. She questioned why the staff salaries and benefits had to suffer when there is no control over what the City has to pay to the County for law enforcement salaries and benefits.

*Mayor Barford* pointed out that Holmes Beach budgets approximately \$1 million to fund their law enforcement. She further noted that all the City's consultants would either be reducing their rates for the upcoming year or they would not be increasing.

*Commissioner Woodland* said after hearing Sergeant Turner's report at an earlier meeting, he did not feel there was any opportunity to reduce the budget for law enforcement. He agreed with Mayor Barford that Anna Maria "gets the best bang for the buck" when compared to all the surrounding communities.

Charge for Parking Via Parking Ticket Box – *Finance Director Percycoe* questioned if the City was able to charge for parking at Bay Front Park or if it would be the responsibility of the County if they wished to do so. She also questioned if parking could be charged for beach access since the City is required to provide parking for that area.

*Commissioner Stoltzfus* felt of all the items being considered, charging for parking was the first one that addresses increasing the revenues - and was an important concept. He said he had read that the City Pier was the most important tourist attraction in the County.

*Commissioner Stoltzfus* suggested that the City provide a toll booth into Anna Maria – residents would not be charged, frequent visitors such as employees in Anna Maria would be charged \$50 per year, and occasional visitors would be charged anywhere from \$.50 to \$2 per day. He felt that the revenues that would be received would eliminate any budget concerns. He pointed out that the tourists were the ones who are consistently using the services in the City.

*Commissioner Woodland* did not feel requesting \$1 per day would be any concern to the visitors – but he felt if collected, it should be collected in a fair and efficient way. He agreed with *Commissioner Stoltzfus* that his concept would generate real revenue that would make an impact – and that the most obvious source of revenues would be the visitors.

*Mayor Barford* acknowledged that people are looking for a less expensive destination to travel to like Anna Maria provides.

Maintains Existing Infrastructure – It was noted that the consensus was that the existing infrastructure should be maintained. *Ms. Percycoe* pointed out that the stormwater utility tax was in place for maintaining the new stormwater system.

Replenish Reserve Account – *Finance Director Percycoe* explained that \$129,000 was taken out of the reserves in order to balance this year's budget. This was done to avoid increasing the millage rate. The suggestion has now been made that the reserve account needed replenished in order to meet the goal of maintaining 35% in reserves.

*Ms. Percycoe* said she did not feel that the entire amount could be replenished this year. The possibility of setting aside \$50,000 per year until paid back may be possible. She felt it was too early to determine, however, the auditor would be able to provide additional information soon.

City Hall – Four Day Work Week – *Finance Director Percycoe* indicated that the staff was able to complete a couple of the pending records requests the previous Friday when the offices were closed to the public. She noted that the proposed four day work week would require staff to work four ten-hour work days.

*Chair Quam* noted that the building would still need to be air-conditioned.

*Building Official Welch* stated he anticipated the Building Department staying open on Fridays – however, not being open to the public. He said he would have no objection to answering the phones, processing permits, handling the inspections, etc.

*Mayor Barford* suggested that if a four-day work week was implemented, staff only be required to work an eight-hour day versus a ten-hour day which would allow them to be compensated better since there has been a salary freeze.

*Commissioner Stoltzfus* said he hoped there would be no salary freezes.

Reduce Meetings – *City Clerk Baird* discussed the amount of staff and consultant preparation time, etc. required for holding meetings.

Daytime Board Meetings in order to Reduce Staff and Consultant Overtime/Comp-time Expense – *Finance Director Percycoe* informed that Bradenton Beach successfully holds day meetings. She informed that holding the meetings at 6:00 p.m. in Anna Maria has been a benefit for staff.

*Code Enforcement Officer Rathvon* informed that Holmes Beach holds their Code Enforcement Board meetings during the day. Anna Maria's Code Enforcement Board has been meeting at 5:00 p.m.

*City Clerk Baird* explained that Bradenton Beach holds one day meeting per month and one evening meeting per month. Holmes Beach holds their regular Commission meetings in the evenings.

Ms. Percycoe reminded that the City is charged overtime when the Building Official is present at an evening meeting.

*Chair Quam* said he would have no objection to meeting at 6:00 p.m.

#### Other

Business Tax Receipts – *Finance Director Percycoe* noted that staff had previously discussed the purpose for not continuing Business Tax Receipts in Anna Maria.

User Fees and Franchise – *Finance Director Percycoe* said she was unsure what other franchises the City could pursue.

Reduce Legal Fees – *Finance Director Percycocoe* said it would be great if legal fees were reduced. The past month was the highest she had seen billed at \$12,000 for professional service fees and \$4,062 for litigation fees. She used the example of the costs involved with researching and drafting the moratorium.

It was noted that the Attorney and Planner charges an hourly rate and the Building Official charges time and one-half for anything over 40 hours.

*Commissioner Stoltzfus* felt that the Commission was relying too much on the consultants being present at the meetings. He suggested that rather than having them attend every meeting, the Commission should complete their work and then send their suggestions to the consultants to finalize. *Commissioner Woodland* agreed.

*City Clerk Baird* gave the example of other cities that place all consultant-related issues first on the agenda.

*Building Official Welch* said M.T. Causley was looking at allowing comp-time for his staff. He further suggested the idea of appointing a Commission liaison to work with staff on the special projects. The liaison would then be responsible for presenting updates, etc. back to the Commission - therefore eliminating the need for the consultant to be in attendance at the meeting.

*Commissioner Stoltzfus* felt that some of the budget concerns were self-induced. He stated that the parking issue was known about prior to November (2009). The issue had taken over six months to work through by committees, consultant's time, etc. and a lot of expense to get to where the City is now. Since the last meeting, the City now has a new direction to pursue relating to the parking.

*Commissioner Stoltzfus* said that most of the legal expenses have come directly or indirectly from the parking issue and had been incurring for about six months. He suggested that rather than looking at what the legal expenses had been - that the Commission look at what caused them to incur – and that the consultants' direction needed to end at some point.

Cell Towers – *Mayor Barford* suggested that allowing cell towers be looked into again. Mayor Barford explained how the revenues were generated. She agreed to provide the Commission with information on the type of revenue that could be expected.

*Chair Quam* noted that the cost of the cell tower Ordinance currently in place was over \$50,000.

*Building Official Welch* suggested encouraging that cell towers be placed on land owned by the City - versus private property. The land would then be leased to them at a slight discount of what a private property owner would lease their land for. He noted that new poles would need to be put up.

*Commissioner Woodland* felt the City should be taking advantage of the cell tower opportunity and felt it was worth exploring.

Business Rentals – *Commissioner Woodland* suggested that a tax be placed on all the rental properties.

*Finance Director Percycoe* acknowledged that approximately 300 rentals at \$25.00 each were taxed when the City was collecting Business Tax Receipts in the past.

*Building Official Welch* stated that he could obtain a copy of the Vacation Rental Business Tax Ordinance used in Key West. In Key West, a cap was placed on the number of vacation rentals that would be issued. Inspections were also conducted. Further explanation followed.

*City Clerk Baird* reminded that the City had to dissolve collection of the Business and Rental Tax Receipts due to an error made at that time.

Discussion followed.

Additional Comments

*Commissioner Stoltzfus* did not feel that staff should have to take reductions in salaries or benefits and they had never worked harder than they had the past year. He suggested that collecting a rental tax could be complicated and challenges may occur. He said he was in favor of a toll gate, parking meters etc. based on true usage.

*Laurie Krosney* said as a resident of Holmes Beach and her employer based in Anna Maria she liked the idea of a toll.

**Adjournment**

**The work session was adjourned by Chair Quam.**

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**Alice Baird, CMC, City Clerk**