

**CITY OF ANNA MARIA
CITY COMMISSION
FIRST BUDGET WORK SESSION
JULY 6, 2006
3:00 P.M.**

CALL TO ORDER (3:05 p.m.)

PLEDGE TO THE FLAG

ROLL CALL: Mayor SueLynn, Commissioner Christine Tollette, Commissioner Dale Woodland, Commission Chair John Quam, Deputy Commission Chair Linda Cramer, Commissioner Duke Miller (3:10 p.m.)

Also present: City Clerk Alice Baird, Deputy City Clerk Diane Percycoc, Building Official Kevin Donohue, Public Works Official George McKay, Mayor SueLynn, Minutes Clerk Sylvie Reichmann

Press: Sun, Islander

Commissioner Dale Woodland referred to the rescheduling of this meeting from 6 p.m. to 3 p.m. and asked to address the reason for it. Commissioner John Quam said he had received two one-way memos indicating that Commissioners could not attend a 6 pm meeting but could attend at 3 pm., noting that Commissioner Tollette had indicated that 6 p.m. could present a problem when the topic was discussed at a previous meeting. Commissioner John Quam noted that the rescheduling occurred on Monday afternoon.

1. OPENING REMARKS

1 TRIM Process Summary

City Clerk Alice Baird explained that the City of Anna Maria has a budget meeting timetable set by Florida Statute, and that TRIM means “Truth in Millage”. The City Clerk said that State statute governs what time the meetings will be held, what will be discussed, the order of agenda items, and how meetings are to be advertised. She said that two public hearings would be held in September to adopt the budget for the next fiscal year, and that the meeting of the School Board of Manatee County took precedence over those meetings. City Clerk Alice Baird confirmed that this evening’s meeting would be documented in the TRIM process as the City’s first budget work session.

2 Budget Meeting Schedule

City Clerk Baird said that the Commission Budget Work Sessions would take place on July 11th, 18th and 25th, 2006 noting that in the past, these meetings have been held at 6:00 p.m. She indicated that the Commission would need to establish a date, time and place for September’s First Public Hearing at their next Regular Commission Meeting.

Commissioner Linda Cramer indicated that she would like to start the sessions earlier in the day, perhaps at 4:00 p.m. There was consensus for scheduleing the July 2006 Budget Work Sessions at 4:00 p.m..

3 Budget Format

Deputy City Clerk Diane Percycoe said the budget format was essentially the same as last year's, with a couple of additions. She noted that the top row of the expense portion of the budget, department codes (DC) denote which department the funds are being allocated to. She indicated that the proposed budget was calculated at 2.00 mills, and shows actual expenditures up to 6/21/06. The Deputy City Clerk reviewed the column headings with the Commissioners. She noted there would be some changes in the revenue column due to a more up-to-date posting on 6/27/06 from the Department of Revenue. She said that the City had received the DR-420, used to calculate the ad valorem, which has increased by approximately \$12,000. Commissioner Dale Woodland confirmed that Deputy City Clerk Diane Percycoe could highlight the line item changes made by the Commission in color from one Work Session to the next, for easy identification. Ms. Percycoe indicated that the drafts would be clearly numbered in sequential order.

Deputy City Clerk Diane Percycoe said that \$3,373,147 is in the current budget, including the \$1,000,000 loan, and the proposed budget is \$2,363,646.

Relative to reserves, the Deputy City Clerk said she was hoping to provide the calculations of changes for the Commissioners' review by the next Budget Work Session or the following one. She said it was her intention to wait and allow for changes to appear during this interval.

Commissioner Dale Woodland said he would prefer to see the reserves marked even by a blank with a note to say when these would become available. He expressed curiosity as to why the format had been changed from last year to include Columns 'A' and 'B'. Deputy City Clerk Diane Percycoe also noted that there was a column with initials showing who was responsible for a particular back-up and confirmed that this column could remain.

Commissioner Duke Miller recommended that columns 'C' & 'D' be moved to the right, with everything else moving to the left, and there was consensus for this change in format.

4 Reserves Explanation

Deputy City Clerk Diane Percycoe explained that the reserves consist of undesignated funds remaining in the general fund, noting that funds are categorized as restricted (designated) or unrestricted (undesignated). She

indicated that the City currently has designated funds in the amount of \$64,456, and \$54, 241 in undesignated funds.

The Deputy City Clerk explained that reserve funds act as a risk management tool to mitigate economic uncertainty and handle emergencies. She said it was her understanding that reserves should be 35% of operating revenues, and that her estimate was that the City's reserves currently stood at approximately 30 - 32%. She clarified for Commissioner Cramer that loan payments on the \$1,000,000 line of credit would reduce non-operating expenditures. Deputy City Clerk Percycoe said that according to the Auditor, a non-operating expenditure is a non-recurring expense, and noted that projects like Lake LaVista dredging were required on a twelve to eighteen month basis.

Commissioner Dale Woodland noted that Auditor Ed Leonard had indicated to the Commission that the average ratio of reserves to operating expenditures was 62% in coastal municipalities. The Deputy Clerk said that some cities operate on a percentage, while others require enough reserves to operate a city for three months.

2. UPDATE: INDIVIDUAL COMMISSIONER MEETINGS WITH STAFF / MAYOR

Mayor SueLynn said that staff had not met with any of the Commissioners, although an E-mail had been received from Commissioner John Quam with three budget related questions.

3. GROUND RULES FOR LINE ITEM BUDGET REVIEW RE: PUBLIC PARTICIPATION

Commission Chair John Quam recommended allowing public comment after completing review of the revenue section of the budget, and then accepting public comment after completion of each category of expenses. **There was consensus to adopt this procedure.**

4. PRESENTATION OF PROPOSED 2006 - 2007 BUDGET

Mayor SueLynn began by confirming that the Commissioners had received her cover letter.

Mayor SueLynn explained that the budget process had begun months ago when she started meeting with the City department heads and gathering input from citizens. She said that as information arrives as to what the City's income would be, the expenditures will be broken down. She said that she did not want to exceed the 2.0 millage rate to cover the cost of expenses in this year's budget. The Mayor noted that additional focus has been put this year on getting the City mobile during, and up and running after a disaster. The Mayor said that unfunded expenditures she would like the Commission to consider including in the budget such items as City Pier piling replacement, additional trolley shelters (noting the

problems associated with this City's rights-of-way affecting their design), speed table-tops to mitigate excessive speed infractions, e.g., on N. Bay, S. Bay, Crescent, Pine Avenue and noted that these devices could be used very effectively, as research has proven.

Commissioner Linda Cramer suggested more bike racks. Mayor SueLynn said that one was included for City Hall in this year's budget.

5. DISCUSSION: RE: INCREASE IN MAYOR'S SALARY AND/OR ASSISTANT TO MAYOR POSITION

Mayor SueLynn presented a job description for the Mayor and Town Manager, given that she had been in her current position for four years now, and noted that the Charter provided for division of the duties listed and creation of an additional professional administrative position. She indicated that a smaller city, specifically Bradenton Beach has 13 or 14 full time employees doing what Anna Maria staff is now doing with 8 full-time and 1 part-time employee. The Mayor pointed out that her job currently takes much more than 40 hrs. per week to do. The Mayor noted that the City Charter allowed the City to develop a position for a Mayor's Assistant, who would function as a Town Manager, which means, at full-time, that person would be paid more than current highest-paid staff. She said that salaries for such a position are normally \$60,000, and suggested that the Commission could perhaps consider hiring a part-time Town Manager. Mayor SueLynn indicated that the formation of this position could be brought up at any time during the fiscal year. She said that an ideal time to make this decision (Mayor salary increase or additional person) would be prior to when the candidates for elected office qualify for the upcoming election, i.e., July 11th.

Commissioner Dale Woodland said, relative to an Assistant to the Mayor or Town Manager position, that this would be out of sync with the trend to discuss consolidating municipal services on the Island. He said that he was strongly opposed to increasing the Mayor's salary. Commissioner Woodland said he did not want the financial attractiveness of the position to play any part in a person's decision to qualify for candidacy.

Commissioner Christine Tollette asked what the other Mayor's earn. Mayor SueLynn said it was essentially the same, however, the Mayors' functions are different. Commissioner Christine Tollette confirmed that Mayor SueLynn was not aware of the salary of the Town Manager in Holmes Beach. Mayor SueLynn noted in Bradenton Beach, the Commissioners take on a portion of the Mayor's duties. Commissioner Christine Tollette said that looking at the job description of the Mayor and the number of hours devoted to the office, compensation would be way below minimum wage. She said she felt it behooved the Commission to come up with more money for the administrating executive position, and asked for further discussion of this topic.

Commissioner Duke Miller said it was also his understanding that the Charter did

allow for a professional administrator to manage the City. He understood that the Mayor had been doing much more than she had been paid to do. Commissioner Duke Miller said he would like to see a list of duties the proposed administrator would be expected to perform. He said he did not want to see a part-time position created for Town Manager. Commissioner Miller said he would not be comfortable making a decision without a 'job list' relative to town management.

Commissioner John Quam said that the current Mayor had the experience to be a Town Manager. He said that if it is adjusted to \$40- or \$50,000, this salary would not change, however the Charter indicated no necessary experience for the position of Mayor, and this could mean that in the future, the City could be paying for expertise that was not there. He suggested increasing the City Clerk's salary and increasing that position's duties.

Mayor SueLynn noted that in many places, the Mayor's function is more ceremonial.

Commissioner Linda Cramer agreed that there is a possibility that the consolidation of Island services could affect the workload of the Mayor of this city. She noted that the scope of the job of Mayor of Anna Maria had increased greatly in the past ten years, and that this was one reason for looking at the possibility of an Island Manager. The Commissioner said she supported putting money in the budget for an administrative assistant and / or a town manager.

Commissioner Duke Miller volunteered to review the description of the Mayor's job and that of the proposed administrative assistant, and meet with the Mayor, to provide an analysis for Commission review. He confirmed that he would do this by July 11th.

6. **GENERAL PUBLIC COMMENT RE: 2005 - 2007**

Tom Turner of North Shore said that he did not think any Commissioner or Mayor should rely on the salary he or she receives from the City for any part of personal living expenses. He noted there were several duplications in the budget.

7. **BUDGET REVIEW LINE ITEM BY LINE ITEM**

Commissioner Dale Woodland suggested beginning the review on the last page and working backward to the beginning. **There was consensus to do this after review of the Revenue Section.**

Mayor SueLynn said that she had reviewed the Ordinance from the County referring to a State statute that puts restrictions on the use of the 5 cent sales tax, not allowing funds to be used for routine road maintenance. She said that she would need to discuss this with the City Attorney. She said that although the \$28,678 anticipated revenue may not be appropriate for maintenance use, however, there were other road, bridgework, and capital improvements projects that could use these funds, and an assignment for debt service was allowed.

Revenue

Commissioner Dale Woodland asked for backup for Line Item #10. Relative to Line Items #18, #19 & #20, he asked why the percentages were the same. Deputy City Clerk Diane Percycoe explained that these estimates had been received from the County.

Commissioner John Quam asked to discuss the revenue from Building Permit fees. Building Official Kevin Donohue took the floor and distributed copies of the State statute governing the topic. He said that the intent is that these fees do not become another form of taxes, but rather go directly to funding the Building Department. He indicated that he monitors the income from fees monthly and approaches the Commission if there is a shortfall or a windfall, as, for example, with the Community Center building permit. Building Official Kevin Donohue confirmed to Commissioner John Quam that the projected fee revenues would be spent on Building Code related items.

Commissioner Christine Tollette asked, relative to Line Item #36, if there would be any way for the City to start accumulating and putting into reserve some of the rent money for re-roofing and other Pier maintenance. She said her concern was that when the lease was up, there would be many things that would need to be repaired on the property.

Public Comment - Revenue

Jim Conoly commented, regarding the Building Permit fees, that City oversight should be exercised to make sure that none of the expenses the building permit fees are being used for are being spent incorrectly.

Expenses

Commissioner Dale Woodland asked to address loan payments. Deputy City Clerk Diane Percycoe said that based on the current 3.61%, she had calculated alternative payment schedules. Commissioner Woodland referred to Resolution 06-614 Procedure for Managing the Line of Credit recently passed by the Commission, recalling that he had wanted to see an Ordinance passed on this topic instead. He said he was not at all interested in seeing the City decrease its payments and increase the payback period.

Commissioner Dale Woodland asked why Exhibit A was not the backup for the budget. Mayor SueLynn said that the loan could be paid back within five years, but could be extended. She explained that she had understood the Exhibit A would come into effect when the City drew down funds from the line of credit. The Mayor said she had understood Exhibit A represented an example, and that the staff would use this as the form to fill out when the first monies were drawn from the line of credit. Commissioner Dale Woodland said his understanding that Exhibit A would change only if the interest rate changed.

Commissioner Duke Miller said he did not understand what else Commissioner Woodland would need before him at today's meeting before the City makes its first withdrawal from the line of credit.

Commissioner John Quam confirmed that the City was going to make one draw of \$1 million, with the first payment due in October 1st.

Commissioner Duke Miller confirmed that Deputy City Clerk Diane Percycoe was looking for clarification as to whether the \$105,000 not being spent from this budget should be rolled over into next year's, or whatever would be the Commission's direction. **There was consensus to change Line Item #257 to \$225,000.**

Relative to salaries, Commissioner Linda Cramer asked if there were job evaluations for City staff, and the Mayor said that City did not do written evaluations.

Commissioner Dale Woodland confirmed there would be a 3.5% increase this year in City staff salaries.

Commissioner John Quam said, relative to Line Items #66 and #67, there was no backup as to why these were not limited to 3.5%. Deputy City Clerk Diane Percycoe noted that the back-up explained that the hourly wage had been increased by 3.5%.

Commissioner Christine Tollette asked, referring to Line Items #86 and #87, how the amounts had been lowered. Deputy City Clerk Diane Percycoe noted that the previous calculations and projections had been erroneous.

Commissioner Dale Woodland initiated discussion relative to Line Item #69. Public Works Director George McKay noted the contract was supplied in the back-up, and mentioned that this was the first time there was a contract for the right-of-way maintenance. He noted that in the off-season, the contractor has been keeping the alleyways and beach accesses clear. He noted that each year in the 2 ½ year history with this contractor, the fees had increased 3.5% each year. Discussion followed. **There was consensus to continue discussion of this Line Item at the next Budget Work Session.**

PUBLIC COMMENT

Tom Turner of North Shore Drive expressed the opinion that right-of-way maintenance should not be outsourced, and that the City should purchase the necessary equipment and have Public Works staff do the work.

PRESS COMMENT

None offered.

ADJOURNMENT

MOTION: Commissioner Linda Cramer moved to adjourn the meeting, and Commissioner Duke seconded the motion.

Vote: All Ayes. Motion carried.

Commission Chair John Quam adjourned the meeting at 5:00 p.m.