

**CITY OF ANNA MARIA
CITY COMMISSION MEETING
TENTATIVE MILLAGE / TENTATIVE BUDGET 2005 / 06
SEPTEMBER 7, 2005
6:30 PM**

CALL TO ORDER

PLEDGE TO THE FLAG

ROLL CALL: Commissioner Dale Woodland, Commissioner Carol Ann Magill, Commission Chair John Quam, Deputy Commission Chair Linda Cramer, Commissioner Duke Miller

Also present: City Attorney Jim Dye, Sheriff's Department Sgt. John Kenney, Mayor SueLynn, Building Official Kevin Donohue, Public Works Director George McKay, Deputy City Clerk Diane Percycoe, Administrative Assistant Annmarie Thorpe

Press: Sun, Islander

1. OPEN 2005/2006 BUDGET PUBLIC HEARING

Chair John Quam opened the public hearing and indicated that the agenda would be revised for this evening's meeting so that Public Comment could be heard after Agenda Item #2.

2. THE FIRST PUBLIC HEARING ON THE BUDGET FOR FISCAL YEAR 2005 / 2006

Commission Chair John Quam announced that this was the First Public Hearing on the Budget for Fiscal Year 2005 / 2006. He indicated that the tentative millage rate of 2.23 mills was set by the City Commission at their Regular Commission Meeting on July 28th, 2005. He said that in order to meet the requirements of the TRIM process, the Commission had conducted two additional Budget Work Sessions since that date, and that the tentative 2.23 millage rate could be lowered, but not raised.

The Commission Chair explained that one mill was equal to \$1.00 of every \$1,000.00 of assessed property value, less the exemptions. He said that homeowners in the City of Anna Maria with a property value of \$500,000, with a \$25,000 homestead exemption would pay \$1,059 in City taxes at the 2.23 millage rate.

Chair Quam stated the rolled-back rate as 1.7040, and said that the percentage change in this rate was 29.11%. He indicated that at 2.23 mills the percentage change in the rolled-back rate would be 30.87%. Chair John Quam explained that the rolled-back rate is the rate projected to produce the same revenue as the previous fiscal year by factoring **current** property value assessments. The Commission Chair indicated that their two additional Budget Work Sessions since their July 28th, 2005 Regular Meeting, the Commission had made changes to the budget, allowing them to lower the millage rate to 2.2 mills with Budget Draft #6.

Commission Chair John Quam said that at this First Public Budget Hearing and at the Final Public Budget Hearing, the Commission would hear from the public and make amendments to the budget computed and then finally adopt the millage rate and the budget.

Chair Quam said that according to TRIM, the Commission must explain why there is an increase in the proposed budget. He stated that the Commission needed additional funds for increased operational expenses and capital improvement projects, including road and stormwater improvements, and replacement of the roof on City Hall.

3. PUBLIC COMMENT

Margaret Jenkins of 241 Chilson Avenue said that she realized the City had additional expenses, but that she opposed increasing the millage rate. The resident property owner said her reason was that the City would be receiving more income due to increased property values, and expressed the opinion that this was an inappropriate time to raise the millage rate and increase the burden on the public.

Jim Conoly of 848 North Shore Drive asked if the City mowing contract for the rights-of-way had a Line Item number. Commissioner Woodland directed the property owner's attention to *Line Item #51 – Grounds Maintenance*, and Chair Quam noted that there was currently \$28,000 in that line item. Jim Conoly said this amount appeared excessive, and also to correspond to the amount previously spent to employ a full-time person in the Public Works Department.

4. CLOSE PUBLIC HEARING

Commission Chair John Quam closed the Public Hearing.

5. DISCUSS THE PROPOSED TENTATIVE BUDGET AND AMEND IF NECESSARY

Chair Quam referred the Commissioners to Draft #6 of the tentative budget, computed at 2.2 mills, and *Line Item #201.3 – General Contingency Fund*, noting that the amount currently in this line item (\$68,879) reflected the reductions made by the Commission during the last two Budget Work Session meetings.

The Commission Chair indicated that *Line Item #3.0 - Ad valorem tax revenue* was shown as \$1,442,461. He said that at the last meeting, there had been a proposal to bring *Line Item #201.3 – General Contingency Fund* down to \$20,000, removing \$48,879 from the budget, yielding a net of \$139,352, leaving it \$16,887 short of a 2.1 millage rate, and another \$65,566 short of 2.0 mills. Chair Quam summarized that in order to put the millage rate at 2.0 mills, the Commission would need to reduce the budget by \$82,253.

Commission Chair Quam asked if there were any questions from the Commissioners relative to Page 3 of Budget Draft #6. He asked Public Works Director George McKay to explain the expenses in *Line Item #51 – Grounds*

Maintenance. Mr. McKay said that the work expenses had been broken down into approximately \$2,000 per month, with an additional amount added for supplies, such as fertilizer. He indicated that this was the first year that the work had been outsourced.

Chair Quam referred the Commissioners to Page 6 of Budget Draft #6, *Line Item #131.1 – City Engineers*, saying that this amount would need to be revised once the Commission had completed its review and discussion of the proposed capital improvements.

Mayor SueLynn clarified for Commission Duke Miller that the items shaded in purple on Budget Draft #6 were items reduced at the last Budget Work Session.

Discussion followed relative to *Line Item #164.0 – City Beautification (EEEC) - \$10,000* and *Line Item #173.0 – Gulf Park / Mgmt Implementation - \$3,000*. There was consensus to remove \$3,850 (removal of Australian pines) from *Line Item #164.0 – City Beautification (EEEC)*, as the Mayor had kept exotic plant removal separate from the EEEEC budget. **There was further consensus, at the suggestion of the Mayor to reduce *Line Item #164.0 – City Beautification (EEEC)* \$2,000 for a final line item total of \$8,000.**

Chair John Quam referred the Commissioners to Page 8 and *Line Item #185.0 – Stormwater Improvements*, indicating that the \$24,000 in it could be reviewed, as it may duplicate Capital Improvements drainage money.

Chair Quam indicated that he was not confident the Commission had enough information to make a decision regarding drainage projects that would obligate the City to go into debt. He noted that the grant process for Gladiolus went relatively quickly because there had been documentation of repetitive flood damage in that area. Chair Quam said he would like to see more information relative to the length of time it took for water to drain in various proposed project areas after a given stormwater event. He suggested approving the permitting and design costs for two projects, and allow the CIAC and the City Engineer to pick the two projects most likely to yield funds from a grant. Chair Quam recommended applying for such grants this year, and completing design and permitting, and then begin actual construction once any grant money is obtained in the next fiscal year. He indicated that his reasoning was that if damage sustained by poor drainage was inadequate to receive aid from a grant, why would there be an urgent improvement for the City to address.

Commissioner Carol Ann Magill said that she agreed with this recommendation. The Commissioner noted that the Commission had previously approved the design and permitting for the Pine / Crescent Outfall and North Shore area and recommended that this be done for those two projects. She added that she would like to see some of the potholes filled before spending hundreds of thousands of dollars on the city's roadways. The Commissioner said that she was all for the \$200,000.

Deputy Commission Chair Linda Cramer said that she would be in favor of taking out the \$1.5 million line of credit and using the \$200,000 to finance capital improvements for one year.

Commissioner Miller and Chair Quam agreed that the roads were a top priority. Mayor SueLynn noted that any work related to using oil was bound to increase as a result of the damage from Hurricane Katrina. She noted that Christopher Collins had said that pulling down \$1 million, with a \$2,000 fee, could be paid six years or less.

Commissioner Dale Woodland said he would be in favor of simply allotting \$200,000 to capital improvements.

Commission Chair John Quam asked Deputy City Clerk Diane Percycocoe to take the floor and explain the directions from the City Auditor. Ms. Percycocoe said that when she consulted with City Auditor Ed Leonard several months ago regarding the possibility of a loan being taken out to fund capital improvements projects, he had advised that each individual project would need to be listed in the budget, along with its cost, increasing the total budget. The Deputy City Clerk indicated that at this point in the budgeting process, the Commission could leave the \$200,000 in the budget for capital improvements, adopt the budget, and then go back and amend the budget to reflect any decision to borrow. She noted that the \$200,000 amount could be reduced to, for instance, \$150,000 and then changed by a subsequent budget amendment. Ms. Percycocoe said perhaps the most important decision at this evening's meeting would be to decide upon the millage rate.

Commission Chair Quam asked if there was consensus to reduce *Line Item #201.3 – General Contingency Fund* to \$20,000, and reduce the \$200,000 for capital improvements to the amount required to lower the millage rate to 2.1 mills.

Commissioner Dale Woodland said he had been looking at arriving at a lower millage rate by reducing operating expenses and urged the other Commissioners to look at areas for possible reduction in that area before the Final Budget Hearing. He indicated he felt that removing money from the contingency fund was like emptying a savings account. The Commissioner said he felt that the contingency fund should be kept at approximately 5% of the operating budget, and that it should be used for unexpected expenses, with unspent money rolling over from one budget to the next.

Chair Quam cautioned against viewing the contingency fund as an emergency fund, indicating that such funding would typically come from reserves. He said that he was in favor of leaving \$20,000 for contingencies, such as unexpected expenses. He asked Commissioner Woodland if he would be in favor of a higher millage rate to keep \$68,000 in the contingency fund, and the Commissioner responded affirmatively only as a last resort if other budgeted expenses could not be cut instead.

Commissioner Carol Ann Magill noted that early in the process, she had targeted salaries for review, and had also identified seventeen other areas for reduction. She said that eight of these were taken care of during the process, and that she felt she had done her homework and was prepared for the Final Budget Hearing. The Commissioner said she was not in favor of borrowing money at this time in addition to increasing the millage rate.

Mayor SueLynn indicated, in response to a question from Commissioner Miller, that the rationale for raising staff salaries by 5% was that there continued to be competition for knowledgeable workers. She noted that staff salaries were already low, and that the dollar amount increase between a 3.5% and a 5% increase was only \$4,300.

Chair Quam said he would like to leave \$20,000 in the contingency fund and reduce the budget by another \$65,566 by the Final Budget Hearing, so that the millage rate could be backed down from 2.1 to 2.0 mills.

6. RECOMPUTE TENTATIVE MILLAGE – ANNOUNCE PERCENT MILLAGE EXCEEDS (IF ANY) THE ROLLED-BACK RATE

Deputy City Clerk Diane Percycoe announced that at 2.1 mills, the rolled-back rate is 1.7040, and the percent change at 2.1 mills is 23.24%.

7. FIRST READING OF ORDINANCE #05-643, ADOPTING THE BUDGET FOR FY 05/06 AND RECEIPT AND COLLECTION OF AD VALOREM TAXES

Deputy Commission Chair Linda Cramer read the Ordinance by title.

8. ANNOUNCEMENT OF FINAL MILLAGE AND BUDGET HEARING DATE (SEPTEMBER 21, 2005 – 6:30 PM)

Chair Quam announced that the Final Millage and Budget Hearing of the Commission of the City of Anna Maria would take place on **September 21, 2005 – 6:30 Pm**

9. ADJOURNMENT

MOTION: Deputy Commission Chair Linda Cramer moved to adjourn the meeting, seconded by Commissioner Duke Miller.

Vote: All Ayes. Motion carried.

The meeting was adjourned at 7:52 p.m.

Respectfully submitted,

City Clerk

Date