

**CITY OF ANNA MARIA
CITY COMMISSION BUDGET WORK SESSION
MEETING HELD AT ANNA MARIA COUNCIL CHAMBERS
10005 GULF DRIVE – ANNA MARIA, FL
TUESDAY, JULY 22, 2008
5:00 P.M.**

CALL TO ORDER

Chair Quam called the Budget Work Session to order at 5:00 p.m.

PLEDGE TO THE FLAG

ROLL CALL: Mayor Fran Barford, Commissioner Jo Ann Mattick, Commissioner Dale Woodland, Chair John Quam, and Deputy Chair Christine Tollette.

Absent w/excuse: Commissioner Duke Miller.

Staff present: City Clerk Alice Baird, Finance Director/Deputy City Clerk Diane Percycoe, Public Works Director George McKay, Building Clerk Diane Sacca, and Minutes Clerk Stacey Johnston.

Press present: Islander.

1. Opening Remarks – Proposed 2008-2009 Budget.

Mayor Barford read the 2008-2009 Budget opening remarks prepared by Finance Director/Deputy City Clerk Percycoe and commented on how the budget differs from prior years. It was noted that the preparation of this year's budget was very challenging due to the 12% reduction in Ad Valorem revenue totaling \$161,798, along with changing the budget format to a department based process.

Though the City rarely has a staff vacancy, with the Public Works opening over the summer, the City was able to initiate cost cutting measures by hiring part-time personnel to fill the position therefore eliminating that health benefit package.

All 6½ staff members are on target with the step program previously presented to the Commission, with the exception of Director of Finance Percycoe. Ms. Percycoe recommended approving that pay grade adjustment resulting in an increase of \$6,170. A COLA adjustment for the staff in the amount of 3% is also recommended. The total cost would be \$10,816.92.

All staff has cut line items by 10% or more where feasible, energy costs are being reduced, copying costs, office supply costs, and staffs have identified ways of reducing professional service costs.

2. Budget Challenges – Current and Proposed.

Diane Percycoe, Director of Finance/Deputy City Clerk, explained that the current challenges with the current proposed budget includes:

- 1) Budget format – creation of all work sheets and to insure all balance with the summary budget, along with the creation of a matrix to determine utility costs per department.
- 2) Budget content – dealing with the super homestead exemption, 12% reduction in the Ad Valorem, a ½ cent sales tax reduction in the estimated

revenue, and reduction in the estimated revenues of communications services tax.

- 3) Addition of Stormwater revenues and expenses.
- 4) Grant revenues and draw. Explanation followed.

Ms. Percycoe said she would be requesting authorization at the July 24 Commission meeting to approve the \$1 mil draw down from the line-of-credit for the Stormwater projects.

The budget is proposed at the same current millage rate of 1.7882. Ms. Percycoe explained that the City could approve a millage rate of up to 2.0415 (roll-back rate) without increasing taxes.

3. Budget Public Hearing Dates.

Ms. Percycoe informed that the following Budget Public Hearing dates have been set to avoid conflicting with those dates set by Manatee County and the School Board of Manatee County:

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|----------------------------------|---|
| 1 st Public Hearing - | Wednesday, September 10, 2008 – 5:30 p.m. |
| 2 nd Public Hearing- | Tuesday, September 23, 2008 – 5:30 p.m. |

4. Budget Format.

Ms. Percycoe explained in detail the new 2008-2009 budget format that includes backup attachments and Schedules. She informed that line item numbers and correct column headings to include the title of the departments will be added to pages #16, 17, and 18 (Summary Expense Budget/Draft #1).

5. Budget Review.

Chair Quam stated that the Commission would review the budget on a page-by-page basis for any questions or comments.

Items reviewed by Commissioners were as follows:

Commissioner Woodland

- Line # 2 – Taxes – Ad Valorem – noted the projected revenues were \$26,000 below budget. Ms. Percycoe informed she did not anticipate collecting any additional distribution.
- Line # 7 – Licenses and Permit Fees – asked for clarification relating to licenses and permit fees being impacted by 18%. Ms. Percycoe explained the impact could reflect economic factors.
- Page 6 – Life and Health Insurance – asked for clarification relating to the Health Savings accounts. Ms. Percycoe stated they were new as of January 2008 and would come up for renewal January 2009. She is unsure of the increase, however, there should also be some reduction due to the resignation of one employee who took advantage of the benefit.
- Pages 7, 8 & 9 – Comments relating to Attorney Fees; Postage/Printing/Copies; Utilities; and Office Supplies – Commissioner Woodland said “good job” relating to the costs being reduced in these categories.

- Page 7 & 16 – Telephone – Commissioner Woodland asked if the City was paying for satellite phones and he said he did not like them. Ms. Percycoe informed the City purchased two satellite phones and a monthly fee is required in order to keep them activated. Any additional fees are based on usage. Ms. Percycoe explained the satellite phones are for emergency preparedness and communication with the Sheriff's Department in the event of an emergency. Public Works Director McKay agreed it was important to have them.
- Page 8 – Rental and Leases – eliminates one off-site storage unit on Cortez in Bradenton.
- Page 10 – Contingency – Ms. Percycoe explained.
- Page 38 – Schedule C – pointed out 'month' should be corrected to read 'week' under the Proposed \$Increase column.
- Line #54 & 55 – Stormwater Utility Revenue – Commissioner Woodland asked how the expenditures would be kept track of. Ms. Percycoe and Public Works Director McKay responded. It was noted separate time card categories will be kept, separate lawn mowers are used for the right-of-ways versus the swales, labor costs will be determined, etc. Commissioner Woodland suggested contacting the Holmes Beach City Treasurer for the process they use.
- Total Budget Revenue @ 3.9 mills vs. previous financial statement of 3.7 mills – Explanation followed. Ms. Percycoe informed that the 3.9 include the \$1 mil draw.
- Page 15 – Departments/Projects Totals – Finance Director Percycoe will review.
- Page 16 – Employee Insurance – Commissioner Woodland said he was still looking at more participation from the City employees to share the burden towards their insurance. He said studies have shown the more employee participation there is; the more the costs will go down. Discussion and explanation followed by Finance Director Percycoe and Commissioner Tollette.
- Page 17 – Contingency Funds – Commissioner Woodland said he felt it was important and financially responsible to have an additional 5% in the contingency fund in order to take advantage of things that may come up that the City was unaware of that can not be planned for. He proposed that it be included. Discussion followed relating to the current reserve fund and method utilized. Commissioner Mattick asked how increasing the millage rate worked. Doing so would not increase taxes but it would affect each taxpayer's savings - After discussion, it was agreed that the millage rate and Contingency Fund remain as is.
- Page 17 – Donations – has been reduced from 2007/2008 at \$22,000 down to \$20,000 for 2008/2009. \$200 is budgeted for Keep Manatee Beautiful and \$200 for START.
- Page 18 – City Beautification – EEEC budget @ \$1,500. Ms. Percycoe said EEEC had just submitted a budget request of \$5,525, which still needs to be considered. Commissioner Woodland felt the EEEC does such a good job and he would agree to budget for their entire request.

Commissioner Tollette

- Line # 38 – Pier Rent – COLA adjustment to start in August 2008. Ms. Percycoe said she will calculate and add an estimated \$5,000 COLA amount. It was noted

that the Lessor is aware of the increase. Commissioner Tollette asked when the current lease was due to renew.

- Page 16 – Insurance – General government insurance that also includes flood and wind. Commissioner Tollette asked if bids were obtained for issuance of this insurance. City Clerk Baird informed that the Florida League of Cities issues the City's insurance. She said she had shopped the policy with Mixon Insurance who informed he was unable to save the City any money this year but would be willing to try the following year. Commissioner Tollette gave an example of the homeowners' insurance premium she just saved and said she would be willing to look into having the City's insurance bid out.
- Page 18 – Island Players Roof Inspection – maintenance will be at the Island Players expense. Ms. Percycoe explained the budgeted \$100 is for a roof inspection fee. All City-owned buildings roofs will be inspected this year.

Commissioner Mattick

- Vehicle Expenses – asked for clarification. Public Works Director McKay responded.

Chair Quam

- Line # 50 – Lake LaVista Dredge Grant – Ms. Percycoe explained that the grant will pay up to 50%.
- Page 16 – Other Contracted Services – includes Building Official salaries and services; City website; imaging and codification; Sheriff's contract and overtime; and janitorial services.
- Page 17 – Contingency Funds – Chair Quam said he was surprised there was still \$83,414 in contingency funds. Ms. Percycoe informed the City Pier was included in this fund.

6. Reserve Calculation.

Chair Quam said he was amazed at the amount in the Reserve Fund.

7. General Public Comment – None

8. Press Comment – None.

ADJOURNMENT

On motion made by Commissioner Tollette and seconded by Commissioner Woodland, the meeting was adjourned at 6:32 p.m. The next Budget Work Session will be held August 7, 2008 and the tentative millage rate will be set by the Commission at their regular meeting to be held Thursday, July 24, 2008.

Alice Baird, CMC, City Clerk