

**CITY OF ANNA MARIA
CITY COMMISSION BUDGET WORK SESSION
MEETING HELD AT ANNA MARIA COUNCIL CHAMBERS
10005 GULF DRIVE – ANNA MARIA, FL
TUESDAY, AUGUST 7, 2007
6:30 P.M.**

CALL TO ORDER

Chair Quam called the Budget Work Session to order at 6:30 p.m.

PLEDGE TO THE FLAG

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

Staff present: City Clerk Alice Baird, Deputy City Clerk/Director of Finance Diane Percycoe, Public Works Director George McKay, Administrative Assistant AnnMarie Thorpe, Building Clerk Diane Sacca, Brent Thompson, Sheriff's Office, and Minutes Clerk Stacey Johnston.

Press present: Sun and Islander.

1. Continued Discussion:

Revenues & Expenses for Fund Year 07/08

Diane Percycoe, Deputy City Clerk/Director of Finance, explained the changes she had made to the proposed budget report format.

The Commission reviewed the following items relating to Draft # 2 of the Proposed Budget:

Chair Quam

- Line # 55 – Manasota Basin Board Grant – Ms. Percycoe explained that the budgeted amount is the projected amount to be spent this year.

Comments by the Public – None.

Commissioner Woodland

- Line # 68 – Salaries & Related Expenses – Commissioner Woodland addressed the salary and related expenses as proposed. He stated he appreciated the backup provided by staff, however, was still in disagreement with the proposed increase.

Commissioner Woodland stated that seven others had agreed with his position relating to the salary increases and one person did not. None of the citizens that called him or he spoke to made any references to the staff's performance being the issue, just that the proposed increases were out of line with inflation, CPI, and out of line with the spirit of the City trying to reduce its budget and provide relief to the taxpayers.

Commissioner Mattick pointed out that the City did not have an established salary scale for all its positions and would like to see one put into place for the next budget year. The salary scale should include steps with merit increases that

would allow for everyone knowing what the basic increases would be for the following year. Any changes to the scale would be if inflation allowed for a merit increase or any raises above what the position merits each year up until the max would have to be justified by evaluations.

Commissioner Mattick stated she had spoke to Mayor Barford relating to a salary scale and that she had no objection to implementing one.

Commissioner Tollette stated it was evident that Mayor Barford had given the staff additional responsibilities in order for the Mayor to serve on a part-time basis rather than full-time. She pointed out that when the former Mayor was in office, it was suggested that an additional part-time employee be hired in order to assist the Mayor who was working in a full-time capacity.

Commissioner Tollette pointed out that rather than hiring an additional part-time person the current staff has now each taken on additional responsibilities and felt the proposed increases made sense. She did, however, want to see that the health insurance costs be reduced.

City Clerk Baird presented a summarization relating to the health insurance. She informed that the Letter of Interest was sent out earlier that day and the ad was scheduled to run the following Thursday. Bid opening is scheduled for August 29, 2007 at 3:00 p.m.

City Clerk Baird informed that in talking with Manatee County, most all agencies have gone to self-insured insurance. The third party administration, Naples, FL, have dropped the number of eligible required employees to ten employees. In a couple of months they intend to drop in down further to include those organizations with only five employees and above. It is hoped to meet with the third party administrator later this month.

Mayor Barford explained that Bradenton Beach uses the third party administrator. She also suggested that the City Commission positions be brought into the system and will build up the staff pool.

Mayor Barford stated she appreciated Commissioner Woodland's comments and acknowledged that the City was reacting to the State mandate relating to budget cuts. She said budget cuts are not necessarily salary cuts, pointing out that all the cities on the Island have given salary increases and made their budget cuts in other areas.

Mayor Barford then referenced a handout she prepared - "Justification: Staff Salaries". The U.S. Dept of Labor lists the COLA for our region at 4.0. She informed that all staff members had assumed additional responsibilities to keep the Mayor's position as part-time. She then explained the exempt employees comp time hours accrued as of July 31, 2007.

Mayor Barford stated that the Director of Finance position needed to be reviewed with a salary base comparable to the position. She informed the total proposed

salaries reflect only 24% of the City's total budget, whereas Bradenton Beach reflected 51% and Holmes Beach 30%.

Mayor Barford stated she was elected to administrator the City and given the Commissioner's direction it is being accomplished. She said she firmly believes the City Staff is the glue that holds the City together and the administration as it is today will not work if a member of the staff is lost. She felt the increases should be approved this year. She stated that the next year's budget process would be difficult and challenging and did not feel the City would have the opportunity to do what is needed for the City's staff.

Commissioner Mattick stated the decision by the Mayor to eliminate the Building Officials position and a part-time position in the City, along with fringe benefits added, resulted in an amount of \$150,000. She said to add back in the costs of the outsourced Building Official services, it still results in a substantial savings to the City.

Chair Quam said he checked into some private company salary increases and found that increases were 4 – 5%, pointing out there was a difference between public and private firms. He noted that all Anna Maria employees had assumed additional responsibilities with the same pay and that he was agreeing to the proposed 7% increases.

Commissioner Miller said he appreciated the great job accomplished by Mayor Barford. He stated that with the City Commission responsible for the final decision, he must consider citizens concerns. Commissioner Miller stated that the City's revenues were down and that the citizens had taken five major hits as a result of the taxing policies in Manatee County.

Commissioner Miller felt strongly that the COLA of 4% would be a more than adequate salary increase for the next budget year, with the exception of bringing the Director of Finance's annual salary up to \$50,000.

Chair Quam agreed that any salary amounts that can be taken out of the budget this year should be initiated this year since the following year it would be much more difficult.

Public Comment

Georgia VanCleave, Magnolia Ave., said she agreed that the proposed increases should be given to the employees this year, however, that if the City was going to justify the salary increases, that a salary and evaluation schedule should be put in place for the following year.

Michael Coleman, 311 Pine Ave., said he has heard from other citizens that there is a definite "fresh breeze" throughout every level of customer-oriented service in the City. He stated that the employees all go over and above their expectations at all times and if there was an opportunity to give them an increase the Commission should do so.

Mr. Coleman stated he was much more optimistic as far as the tax-based revenues in the City over the next two years.

Budget Review – Continued

Commissioner Mattick

- Line # 117 – Legal Services – Stated she was surprised at how the budget had been reduced. *Mayor Barford* informed there is an effort to limit the number of consultant hours.

Commissioner Miller

- Line 155A – Trolley Service Island Share – *Mayor Barford* explained that County Commissioner Whitmore's request that the City share in expending an amount of \$8,000 towards the Trolley service came as a surprise to her and the other Mayor's. She said she agreed that keeping the Trolley as a free service was a good thing if it can be accomplished, however, she only proposes that Anna Maria take part in the \$8,000 amount if the other Island cities also do so.

Commissioner Miller said he agreed that the Trolley should be kept stating that six to eight months after the initiation of the Trolley area businesses reported a 20% increase in sales.

Stating that Anna Maria was half the size of Holmes Beach, he voiced concern that all three of the cities are being asked to pay \$8,000 rather than the amount being determined on a proportional share.

Mayor Barford informed that the Trolley has also allowed for the reduction of the number of vehicles on Anna Maria's roads. She suggested that the City only agree to contribute for one year during which time an advertising campaign process for the interior of the Trolley can be implemented.

Discussion followed relating to the Trolley issue and whether or not the City's share should be taken out of the contingency fund.

Public Comment

Georgia VanCleave, Magnolia Ave. voiced her concern that the Island cities were each contributing the same as others to Manatee County.

Carol Ann Miguel, 403 Spring Ave., felt the Tourist Development Council should be responsible for the additional required costs of the Trolley.

Mayor Barford said she would touch base with the other Island City Mayors relating to this issue.

Carol Ann Miguel, 403 Spring Ave.,

- Line # 168a – Stormwater Utility Study. After providing the Commission with the past history relating to a Stormwater Utility Study, Ms. Miguel stated she had a concern in supporting the \$15,000 study and placing another fee on the taxpayers. She said the Line of Credit was taken out specifically for the purpose

of a stormwater project, along with the grant received by the City. She disagreed with proceeding in a Stormwater Study.

Chair Quam explained that the Commission had a previous Work Session relating to the Stormwater Study and has agreed to move forward.

Mayor Barford responded that the City is looking at maintaining what the City currently has and that it is so expensive to keep the stormwater system running. She further explained the purpose for the study and the proposed user fee.

Commissioner Woodland said he proposed that the Stormwater Utility Fee be used for the purpose of maintenance only, however, it may evidentially be used for the purpose of dredging canals, etc.

He said he did not see the Stormwater Utility Fee as a new tax and felt in his opinion a credit should be created in the budget to compensate for it.

Commissioner Mattick pointed out that the City is required to obtain the study and that it will be let out for bid.

Georgia VanCleave, Magnolia Ave.

- Line # 211 – Holiday Banners. Ms. VanCleave said it was her understanding that the banners came from private donors. She felt the time and energy by the Public Works Department to put up the banners should be incorporated into the budget.

Public Works Director George McKay explained that the \$500 budgeted amount was for the strapping and hardware that breaks over the season.

Upcoming Budget Meetings

It was agreed that the August 21 and August 29, 2007 Budget Work Sessions would be canceled. The first Budget Public Hearing will be held on Thursday, September 6, 2007, 6:30 p.m. and the second Hearing on Thursday, September 20, 2007, 6:30 p.m.

Press Comment – None.

ADJOURNMENT

On motion made by Commissioner Woodland and seconded by Commissioner Tollette, the meeting was adjourned at 7:28 p.m.

Alice Baird, CMC, City Clerk

Minutes Approved: _____