

**CITY COMMISSION WORKSHOP MEETING
JULY 18, 2011
4:30 PM**

Elected Officials Present

Shirley Groover Bryant, Mayor
Alan Zirkelbach, Vice Mayor, Commissioner-at-Large 1
Tamara Cornwell, Commissioner-at-Large 2
Mary Lancaster, Commissioner, Ward 1
Tambra Varnadore, Commissioner, Ward 2
Brian Williams, Commissioner, Ward 3

Staff Present

Jim Freeman, City Clerk
Allen Tusing, Public Works Director
Chief Wells
Lorraine Lyn, City Planner
Mark Barnebey, City Attorney
Deanna Roberts, Administrative Assistant

Mayor Bryant called the July 18 meeting to order at 4:30 p.m.

1. INFORMATIONAL PRESENTATION: MTI ADULT EDUCATION FACILITY (L. Lynn)

City Planner Lorraine Lyn advised Commission that this is the School Board's proposal to use the old Palmetto Elementary School site for adult educational use. The School Board proposes to use the northern portion of the site and use the existing portables. The only change to the site would be three parking spaces, including one handicapped space, and one sign placed at the southwest corner of 9th Avenue West and 9th Street West. This application was received at the end of May. Staff prepared two responses to the School Board: a determination of consistency with the Comp Plan and the public zoning. And, the use is still educational use. Staff used the interlocal agreement with the School Board to determine that since there were no changes being made, this is essentially an informational item only today.

Mrs. Lancaster asked about the portables. Mr. Barnebey commented that the interlocal agreement with the School Board treats the use of portables differently from City Codes. The School Board is essentially exempt from permits for their use.

Ms. Lyn introduced Mr. Pendley from the School District to answer questions.

Mrs. Varnadore asked what the site will look like when the demolition of the old school is complete. Mr. Pendley said the slabs will be removed, the site will be regraded, the safety fence may be removed and the site will be seeded. There is no plan for a permanent facility at this time. There is a possibility of another elementary school down the road. While the portables are "temporary" they will be there for quite awhile. The portion used by MTI will remain fenced. He asked what the City would like to see at the site. Mrs. Varnadore and Mr. Zirkelbach commented they would like to see the rest opened up and made into a park-like setting for aesthetic purposes.

Mayor Bryant asked if 8th Avenue Court could be made into a two-way street. She asked based on citizen comments. She said the School Board is having that portion surveyed. The parks are being upgraded, and the City is asking for footage to add angled parking as part of the upgrade. The School Board seems to be amenable to that. She commented that the School Board has agreed to let the City have an indefinite lease on the property being used for storage. The Little League, in a separate agreement with the School Board, is being allowed a lease on the building across 10th Avenue.

Mr. Pendley introduced Dr. Mary Cantrell, Director of MTI, and Linda Agresta, Assistant Director, to give an overview of the programs that will be offered at the educational facility. Dr. Cantrell said the patient care technician program, a 600-hour program, is the precursor for many of the other health occupations. The first 90 hours of the patient care tech program could go towards practical nursing, and then the student could continue on at the east campus. MTI offers a broad range of health care occupations that are of critical need in our community.

The business component prepares students for Microsoft Office Suite. The lab will offer distance learning for any programs online. ESOL and GED prep classes are available. Ms. Agresta said that ESOL programs are offered at Palmetto High, the new Palmetto Elementary, as well as Mt. Carmel, and now at the old Palmetto Elementary School site.

Dr. Cantrell said the programs qualify for federal financial aid. Mrs. Lancaster asked for a fee schedule, and Dr. Cantrell said she will drop that off at City Hall.

Mrs. Cornwell suggested a link to this facility on the Palmetto web site.

Mr. Williams asked what will happen if this program is successful and a need also arises for a new elementary school. Mr. Pendley said there are long-range plans for a permanent location for this facility north of the river.

2. PRESENTATION OF GFOA 2011 DISTINGUISHED BUDGET PRESENTATION AWARD

City Clerk Jim Freeman presented the FY 2011 GFOA Distinguished Budget Presentation Award to the Finance Department. The award was accepted by Finance Director Karen Simpson.

Mr. Freeman recognized Senior Accountant Cheryl Miller who completed training through Management Concepts for grants management. The training addressed administering, supporting and seeking out grants.

3. FY 2011-2012 BUDGET

Mr. Freeman reviewed the Assumptions for the 2012 Budget:

- ✓ Ad valorem revenues are down 9% this year and 40% over the last three years, impacting the General Fund
- ✓ Enterprise funds are in good shape overall
- ✓ Revenues are budgeted at 95% of what the City expects to collect
- ✓ TIF monies from the City to the CRA and the County to the CRA are down this year
- ✓ Reimbursement from the CRA to the City to support programs in the General Fund, particularly Police Department in this version, will help reduce the deficit in the General Fund – Public Works and Code Enforcement will discuss justification and reimbursement at a later date
- ✓ Utility fees remain unchanged; revenues decreased due to a decline in usage probably due to foreclosures
- ✓ Subsidy to Stormwater from Road and Bridge and Water and Sewer remains at \$250,000 to help storm water reserves
- ✓ Building Department is in a deficit and will use reserves to balance the budget
- ✓ There will not be a COLA or step increases for the third year in a row
- ✓ The City is awaiting health insurance numbers, which Mr. Freeman should have by Thursday. The City had a good claims ratio to premium last year
- ✓ There are five positions being eliminated this year – the reduction in force includes four filled positions and one vacant position
- ✓ There are currently 145 funded positions and 21 vacant positions funded in the budget
- ✓ The Property Casualty and Worker's Comp premiums remain flat
- ✓ Pension costs increased: PD had a 1.58% increase in payroll over last year and General Employees increased .15%
- ✓ Allocation methodology remains consistent with prior years
- ✓ Five new police vehicles and ten portable radios are included in the current budget

- ✓ Road and Bridge budgeted \$200,000 for the lease of a new street sweeper
- ✓ Three patrol vehicles associated with new programs funded from CRA
- ✓ Referring to the pie chart on page 6 – property taxes are 34% of General Fund Budget revenues
- ✓ 61% of the General Fund Budget expenses are personnel costs, 33% operating expenses, 4% capital expenditures and 2% debt service
- ✓ Presented a chart showing a ten-year history of ad valorem taxes; since FY 2008 millage has remained constant, but values have been declining
- ✓ A budget summary is shown on page 9 showing a budget shortfall for this year of \$700,000+
- ✓ Page 4 presents options to close the budget gap:

The tentative millage can go down, but it can never go up. If the Commission approves a millage rate of 5.1185, the rollback rate, it would allow the City to collect the same amount of taxes as the previous year. This could generate up to \$300,000 additional in revenues.

Up to \$300,000 in additional revenue from the CRA could be justified. Combined with the rollback rate, this would be approximately \$600,000, which would almost close the gap.

Furlough days for employees could save \$18,000 per day.

Mr. Freeman said the tentative millage rate is due to the Property Appraiser by August 4.

Commissioner Williams asked how long each of the twenty-one positions on page 2, #12, have been vacant; what is the age and mileage on the vehicles referred to on page 2, #18; and, what is the current reserves balance (referred to page 3, #20). Mr. Freeman will supply the information to him.

Commissioner Varnadore asked about using the trailer park fund. The interest has been funneling back into the General Fund Reserves for the past ten years, a total of \$893,000. Could \$350,000 be used to help balance the budget? She stated this could just be another option.

Mayor Bryant mentioned that the legislature is looking to cap the ability of municipalities to increase millages in the future. If that occurs, this may be the only opportunity the City has to raise the millage.

Commissioner Williams asked Mr. Freeman to explore taxing separately for the Police Department.

In answer to Mrs. Lancaster's question about the use of CRA funds, Mr. Barnebey said there are specific statutes that govern what CRA funds can be used for. A provision says the general government operating expenses, unrelated to the carrying out of the CRA Plan, cannot use tax increment revenues. Funds cannot be used for certain capital improvements and certain public facilities unless the City gets permission. For example, for a new police facility, the permission would have to come from other governments paying into the tax increment revenues.

4. ADJOURNMENT

The meeting adjourned at 5:40 p.m.

Minutes approved: August 1, 2011

James R. Freeman

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City Clerk