



**Minutes of the
Crystal River City Council
Budget Workshop
Wednesday, April 28, 2015 3:00 p.m.
Council Chamber, City Hall**

1. CALL TO ORDER

Mayor Farley called the meeting to order at 3:00 p.m.

Mayor Farley advised that he just came from a meeting with Gerry Mulligan held at the Chamber of Commerce during which he was advised that the County has funding available for the development of a Visitors Center and that the Board of County Commissioners is favorably looking at this funding option.

Councilmember Gudis inquired if this was in addition to the previously pledged funding for the Riverwalk and Mayor Farley confirmed that it was.

2. CITY MANAGER'S PRESENTATION

City Manager Burnell provided a brief overview of the Staff memorandum dated April 27, 2015, advising that although the previous year-end projection for FY 2015 shortfall would be approximately \$150,000.00, for which a budget transfer from reserves was approved to off-set, the shortage is now projected to be only \$60,000, due to unexpected revenue increase in building permit revenues which were approximately \$80,000.00 higher than originally anticipated. A decrease in auditing fees, and cost reductions in the Public Works area also contributed to the decreased short-fall projected for year-end.

3. COUNCIL DISCUSSION AND QUESTIONS

Councilmember Gudis inquired if there were any vacancies in the Parks and Recreation area, which City Manager Burnell confirmed that there were, however there has been an overall increase in personnel expenditures to provide coverage for a staff person that is currently out.

City Manager Burnell also advised that the Property Appraiser informed him that there is no land value decrease and potentially a 1% increase predicted for the 2016 year.

He went on to say that staff is currently uncertain of funding sources for the upcoming development of a Community Services Department, which will include the Waterfronts Director position, although there will be no additional new positions.

He advised that W&S fund is healthy, with a total of 270 connections, and that the Sanitation services contract will be up in 2016, and although it could possibly go back out for bid, it does not affect the proposed budget for FY 2016.

City Manager Burnell also reported that the CRA income for the current year was more than anticipated.

Councilmember Wheeler noted that if the management status of the Three Sisters Springs property takes a turn from the direction it is going in now, then the amount of necessary staffing will be impacted, and that she was informed by City Manager Burnell that there will be a clearer picture within the next 30 days as to how this will be budgeted, although it will likely be believed it will be funded through revenues generated from tourism-related activities.

Mayor Farley advised that the Chamber and CRAC will be putting together committee to advise on setting up the structure for revenue sources such as user fees.

Councilmember Gudis advised that he favors the term “user fees”, fees which alleviate tax payer burden.

Ms. Russell referred Councilmembers to the additional information packet provided just prior to the meeting, pointing out that on the first page showing the various revenue lines includes a line item with parking fees added in.

Mayor Farley asked how the amount was calculated and Ms. Russell advised that the calculation was based on 50 spaces, at 4\$ each at 20% occupancy.

Mayor Farley advised that in Fort Lauderdale there was a parking lot for which City residents got a free pass, and City Manager Burnell advised that in his experience there was typically some sort of fee built in.

Councilmember Gudis advised that the Homosassa Wildlife Park has a system by which they allow people to pay up-front and receive a discount.

Ms. Russell provided an overview of the main revenue sources, pointing out that the rental income projection was based on the assumption that the Kings Bay Park facility, including boat slip rentals, would yield \$21,000.00 per year, and that although the building permitting income has greatly increased, the projection is conservative.

Councilmember Gudis asked if the Waterfronts Manager position was included, and City Manager Burnell confirmed that it was, stating that the cost of the position was covered by the reallocation of some CRA related expenses. He also advised that an employee whose salary was previously charged to the General Fund will now be funded through the Water and Sewer Fund, as they work exclusively on Water and Sewer related items.

Councilmember Wheeler pointed out that the City previously spent \$200,000 annually for a CRA Director, building space, etcetera.

Further discussion ensued pertaining to the possibility of charging portions of other Water and Sewer-related staff during which

Councilmember Gudis asked if contractors working on CRA projects are charged to the CRA Fund and City Manager Burnell confirmed that they were.

The Duke Energy reclaimed water project and its upcoming finalization was then discussed and Councilmember Wheeler predicted that, based on the information provided, the Water and Sewer Fund will look different down the road.

Councilmember Gudis asked for an estimate of the amount previously being charged to the General Fund that will be moved to the CRA Fund and Ms. Russell advised that it was approximately \$175,000.00.

City Manager Burnell advised that the Public Works budget has been gone over with a fine tooth comb and a lot of changes were made for items such as the increased need for mulch, and the need for improvements at Copeland Park.

Councilmember Wheeler asked about predicted revenue sources in the area of Special Events and City Manager Burnell advised that there is \$15,000 projected to come from sponsorships, advising that he will be adding five hours of time, per week to the Special Events Coordinator's salary, as some of the events have become a lot more complicated, and the number of events has also increased which has impacted the amount of time needed. He also pointed out that Ms. Bollin utilizes volunteers, as well.

Mayor Farley advised that he would be satisfied with a brief overview at this point in time and City Manager Burnell advised that for the most part, everything has been balanced. He also pointed out the inclusion of a Zoning Specialist position, which is currently not figured into the proposed budget, but it is referenced in the additional packet.

Further discussion ensued regarding the need for a zoning specialist position and why it would be necessary.

City Manager Burnell advised that based on the outcome of Three Sisters Springs (operations management and Kings Bay, staff cannot predict that at this point. He advised that he met with Andrew Gude and James Barnett, who came in with concerns, but left with a better understanding of the City's position. He advised that questions arose regarding reimbursement of USFWS funds, which they plan to invest in site development, in the event that USFWS were no longer managing the land portion of the property.

City Manager Burnell also broached the subject of Law Enforcement Services costs, advising that Crystal River is a very safe community, and asked if the Council wants to continue to burden residents with the cost of enforcement at the current level or consider a reduction.

Mayor Farley stated his opinion that Crystal River is a safe community because of the level of enforcement.

City Manager Burnell advised that the Law Enforcement Services contract is a large ticket item, consuming 60% of the City's ad valorem funding, and he believes that the Sheriff's Office already has the responsibility to protect the City.

Mayor Farley stated that the City has been down this road for years and years and does not believe it will do any good to push the issue.

Councilmember Wheeler acknowledged that the City has pursued this issue in the past, stating that she sees a reality in that the City would have the same level of service that currently pay extra for because City residents do, in fact, pay county taxes, regardless of an additional law enforcement services contract. She stated that the City of Inverness pays a little over \$500,000.00 with population of 7,000 and is just as safe, and the City of Crystal River has yet to get an acknowledgement that a certain portion of the services for which the City is currently paying is already being paid for with county taxes paid by City residents. She went on to say that Sheriff Dawsy has not been able to justify, other than the boats, what the City is spending \$1.6 million on, CCSO says it is a BOCC decision and vice versa, and the City should try to pursue an answer, as it is a huge chunk of money.

Mayor Farley stated that he sees a lot of crime occurrences in Inverness.

Councilmember Gudis noted that it is an interesting discussion, and an issue that will not likely be resolved today, but believes the City is paying more than it should.

Councilmember Wheeler asked if Councilmembers could receive a comprehensive breakdown of “wish list” items not already budgeted, that the City anticipates will be paid for with reserves as far out as can be projected.

City Manager Burnell stated that there should be one comprehensive sheet on reserves and what they are for, adding that the reserves would be quickly depleted if staff addressed all of the wish list items. He advised on the subject capital improvement projects, which he had not planned to go into a lot of detail on, that staff still needs to see what is going to happen with the Riverwalk, which the City will likely borrow for. He advised that there are also the costs of the Hunter Springs Park projects to pay for, a portion of which could potentially be covered by CRA funds. He reminded Council that today’s presentation was just a general overview to ensure that the cost of salaries, equipment and daily operations are accounted for.

Councilmember Gudis stated that it has always been in favor of borrowing money to finance Riverwalk, and that Council should review the wish list to see if there is something Council wants to prioritize and maybe add it to the projects list.

City Manager Burnell stated that Tom Kohler, of Community Solution Group, the consulting firm working on the CRA Plan update, advised that 40% of the money available should be left available. He then requested that each Councilmember provide him with a list from each of items that they seriously want staff to consider budgeting.

Councilmember Gudis mentioned the possibility of a new City Hall and Ms. Russell mentioned the previously discussed the possibility of tying goals workshops in with budget process, a customary for local governments.

City Manager Burnell advised that the City is in pretty good shape, but there are a lot of unknowns related to community services area.

Councilmember Gudis noted that budget amendments can be done down the road once we know more.

Councilmember Wheeler advised that they are not focused on going over line items today, as they trust the staff to run the City, and if they advise that the numbers proposed will keep things going, then great.

City Manager Burnell advised that staff does not want to continue to rely upon reserves to run the city as has been one in the past two years, since reserve funds are meant for emergency items.

Councilmember Wheeler noted that Crystal River is a financially healthy city.

The member of the public in attendance was invited to comment.

4. PUBLIC INPUT

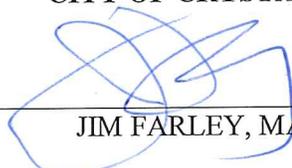
Randy Pitts Thanked council members and staff in allowing him to share in the process and familiarizing him with parliamentary business and how the city runs.

City Manager Burnell confirmed that the budget is balanced and invited Councilmembers to let him know if there are any projects he would like us to consider.

5. ADJOURNMENT

Mayor Farley adjourned the meeting at 4:06 p.m.

CITY OF CRYSTAL RIVER



JIM FARLEY, MAYOR

ATTEST:



MIA FINK, CITY CLERK

