



**Minutes of the
Crystal River City Council
Budget Workshop
Thursday, August 23, 2018 1:00 p.m.
Council Chamber, City Hall**

1. CALL TO ORDER

Mayor Farley called the meeting to order at 1:00 p.m.

Council members Present: Mayor Farley, Vice Mayor Brown, Council member Gudis, Council member Fitzpatrick, Council member Holmes.

Council members absent: None

Staff Present: City Manager Burnell (via telephone), City Clerk Fink, Assistant City Manager Jack Dumas, Finance Director Michelle Russell, Public Works Director Beau Keene, Special Events Coordinator Leslie Bollin, Three Sisters Springs Manager Beth Perez and Planning and Development Services Director Jackie Gorman.

2. PRESENTATION

A. Presentation of draft budget for Fiscal Year 2019

City Manager Burnell provides an introduction and overview of General Fund, noting that the budget is balanced within .003% and discussed factors including wage increases and final revenue adjustments. He presented the staff memorandum noting an anticipated increase in ad valorem tax funding and retention of the current millage rate based on projected revenue increase. Decreased revenue sources, including state funding sources, were discussed, as well as increased city revenue sources including building permit, zoning, rental and lien search fees, code enforcement actions and increased property values. It was also noted that currently minimal funding is budgeted for abatement. Increased health insurance and law enforcement service costs, reorganization and addition of a Assistant City Manager position were also touched on. He discussed changes to the General Fund Capital Improvement Plan, noting an invitation to apply for funding for a new City Hall. Water and Sewer Fund was reviewed, noting grant funding anticipated for new pumps and sewer expansion projects, and FRF projects planned to lessen water loss through meter upgrades.

City Manager Burnell addressed questions regarding water loss, detection of cause, and main sources, as well as benefits of backflow prevention. Mr. Burnell also provided further detail regarding personnel changes, introducing Three Sisters Springs Manager Beth Perez, and noting potential transition to an in-house Building Official. Planning and Development Services Director Jackie Gorman discussed the growing need for increased presence of a Building Official and associated benefits, including reduction of illegal activity, and commending PDCS for their service quality. She also discussed changes in the role and activities of code enforcement, confirming increased fines and user and permitting fees offset cost of salary.

Ms. Russell confirmed favorability of payroll versus contracted labor, and consensus was reached by Council in agreement. City manager Burnell also noted potential coverage gaps associated with an in-house building official due to vacations or resignation.

Discussion was then held regarding the Three Sisters Springs Fund, with City Manager Burnell highlighting funds budgeted for infrastructure improvements, and potentially an additional trolley. Consideration to expend Sanitation Funding for marketing and educational efforts aimed at litter reduction was also noted.

Ms. Russell also spoke regarding the General Fund, outlining plans to shore up any potential shortfalls with excess funds from FY 18 and noting a reallocation of a portion of the City Manager salary.

Mayor Farley noted past staffing reductions, and the current trend of service expansion and associated staffing increase, with Ms. Russell confirming the addition of two Public Works positions.

Council member Gudis commended Finance Director and City Manager Burnell for continuing to ensure costs are allocated to the proper cost center.

City manager Burnell also made note of additional funding for Michigan Town modifications to address traffic and parking issues (yet to be determined) and potential plans for Kings Bay Park.

Mr. Dumas addressed Council member Holmes question regarding cemetery maintenance, confirming that mowing services were contracted out.

3. COUNCIL DISCUSSION AND QUESTIONS

Staff also addressed questions from Council members, providing clarification regarding health insurance cost increases, and the way in which sponsorships secured by the Special events Coordinator (totaling \$15,000) are reflected in the budget under Marketing and Special Events (net figure in lieu of placement into a separate revenue account).

Special Events Coordinator Leslie Bollin addressed Council by providing detail regarding sponsorship amounts, donors and ongoing active promotion of sponsorship for specific events, citing the upcoming Fallen Heroes Memorial Wall Opening Ceremony.

Vice Mayor Brown expressed concerns regarding a lack of TDC funding support for costs associated with marketing of Crystal River and resulting local tourism increase. Discussion as then held regarding requirements for TDC grant funding proposals, portion of bed tax received from city establishments and potential costs associated with increased tourism including law enforcement. Council member Gudis confirmed that information regarding allowable uses for TDC funding would be provided. Ms. Bollin noted previous TDC reimbursement funding received for the Pirate Festival, and City Manager Burnell noted recent commitment of \$400,000 in TDC funding for engineering of a bike trail extension connecting the Crosstown Trail with the Citrus County Multi-Use Path.

Discussion was also held regarding potential impacts of the passage of the Homestead Exemption Amendment, (projected at \$50,000), with City Manager Burnell noting the anticipated revenue that will result from the upcoming Homestead Exemption Audit.

He also addressed questions regarding a discrepancy in the Planning and Development Services budget (related to potential adjustments to Building Inspection Contract fees proportionate to increased building permit fees) and the \$400,000 grant funding anticipated for Three Sisters Springs infrastructure improvements. Discussion was also held regarding future increases for law enforcement services and method of negotiations.

4. PUBLIC INPUT

There was none.

5. ADJOURNMENT

Meeting adjourned at 1:53 p.m.

ATTEST:



MIA FINK, CITY CLERK

