

August 11, 2015
5:30 PM

The City Council of the City of Inverness met on the above date in a City-Wide Budget Workshop at 212 W. Main Street with the following members present:

President Hepfer
Vice President Ryan
Councilwoman Bega
Councilman Hinkle
Councilman McBride
Mayor Plaisted

Also present were City Manager DiGiovanni, City Attorney Haag, Asst. City Manager Williams, IT Manager Johnston, Community Development Services Director Day, Finance Director Chiodo, Project Director Malm, Public Works Director McCulloch, Facility Manager Hodges, Aquatics Coordinator Pleacher, Cultural Arts Director Forino, Event Director Skeelee-Hogan, and City Clerk Davis.

The meeting was called by the following Notice to all Council, Mayor, media, as well as publicly posted.

PUBLIC NOTICE

DATE: February 27th, 2015 (Revised 07/08/15)

PLEASE BE ADVISED **BUDGET RELATED WORKSHOPS FOR 2015/16 FY ARE CALLED FOR THE CITY COUNCIL OF THE CITY OF INVERNESS, AT 212 W. MAIN STREET, INVERNESS, FLORIDA, AS FOLLOWS:**

April 9 th	5:30pm	Overview of Projects & Goals
May 7th	5:30pm	City Wide Five Year Capital Improvement Plan (CIP)
May 12th	5:30pm	CIP Workshop (if necessary)
June 4th	5:30pm	City-Wide Five-Year Capital Improvement Plan (CIP)
June 11th	5:30pm	CIP Workshop (if necessary)
July 23rd	5:30pm	City Wide Budget Workshop
July 28th	5:30pm	Budget Workshop (if necessary)
August 11th	5:30pm	City Wide Budget Workshop
August 20th	5:30pm	Budget Workshop (if necessary)
Sept. 10 th	5:01pm	Tentative Budget Adoption - 1 st Public Hearing
Sept. 24 th	5:01pm	Final Budget Adoption - Final Public Hearing

/s/ Jacquie Hepfer
President of City Council

City Manager DiGiovanni presented the 2015/16 Budget with an opening statement referencing the series of workshops conducted this year due to the issues with Fire Services, expansion of the CRA, etc., and how each were important to position the City to build the scope of the budget document. This document is very forward in its scope and presentation. He spoke of an online distribution of the budget PowerPoint presentation through Dropbox and spoke to the following budget aspects:

Total Expenditures – All Funds for 2015

Total Proposed Expenditures (Includes Utilities - Excluding Reserves) for 2015 is \$21,189,441, and for 2016 at \$21,957,130. This is an increase of \$767,689. Personnel for 2015 is 41.75 Full Time Equivalent (FTE) and 2016 at 45.34 FTE, with an increase of 2.59 FTE. This includes an addition of 5 FTE Fire Positions.

Mill Levy will remain the same with no change in the taxable mill levy for the City. 2015 mill rate of 6.9949 added revenue of \$2,323,876. The 2016 mill rate of 6.9949 will add revenue \$2,993,765. The Hospital is driving the additional revenue of \$669,890 with its valuation of \$74,761,330. The City will commit \$481,770 the CRA.

Cash Reserves

Non-Utility is \$7,868,822 with managed use of designated reserves for land, equipment, Whispering Pines Park capital, Inverness Government Center, and the Oak Ridge Cemetery. The designated reserves will be replenished through a 5-year program.

- Managed application is + \$894,511

Utility is \$5,001,838 and will continue to rebuild the reserves as this is the fiscal strength of the community. There is a decrease of \$60,496, but this number will shrink as we move forward.

Reserve Balances with a total projected at 9/30/15 of \$14,716,951 and projected ending balance at 9/30/16 to be \$13,751,444, indicating a reduction of \$965,507. Use of designated reserves including land acquisition, IGC building, equipment, etc. Zephyr Street project will be funded with transportation impact fee reserves.

Reserve Replenishment for the Land Acquisition Reserve is a projected balance of \$500,687 by 9/30/2016 and will continue to replenish \$50,000/year starting in 2017 until fund reaches \$800,000 (6 years). Fire Services Reserve balance at 9/30/16 is to be \$25,000 and continue to replenish at \$25,000/year for five years (\$125,000). Capital Equipment Reserve's balance is projected for 9/30/2017 to be \$217,000 and continue to replenish \$50,000/year starting in 2017 until fund reaches \$500,000 (6 years).

City Services include sanitation, residential streets program, sidewalk/bicycle path intermodal development, and a beautification program. City of Inverness residents enjoy the richest service package in Citrus County. Law Enforcement for 2016 school crossing guard program at \$16,426, Sheriff's services at \$764,409 (increase of 2.25%), and the Sheriff's lease at Whispering Pines Park reflects \$20,536 annually. City Manager did speak to a future possibility of an Inverness Police Department, as the City continues to move forward. Fire Services will provide high quality services at acceptable levels of taxation in this inaugural year of the Inverness Fire/Rescue Department. A mutual aid collaborative with crystal River, Dunnellon, and Brooksville will include revenues, dispatch, enter agency backup and co-op, and mutual aid response. Fire Services personnel will include full time, part-time, and volunteer support at a cost of \$330,197. Operating expenses are projected at \$84,155, contingency funds at \$8,000, and establish a reserve fund at \$25,000/year for 5 years. Total operating budget - \$420,580.

Comparative costs with the County shows \$606,063 (County) and \$420,580 (City), with a taxpayer savings of \$186,000. Parks and Recreation includes planning, facility management, cultural events, etc. Whispering Pines Park is the most complex and well received park system in the County. Land Development Planning, Zoning and Code Enforcement all need to be working with the rest of the community. City manager additionally spoke to the historic plaque program, cemetery operations, economic development, etc.

3P – Public/Private Partnerships include Waste Management Sanitation Services for residential and commercial services, Woodard and Curran for Water/Wastewater Plant operation, Mann-I-Cure for landscaping maintenance, MT Causley for building code inspections & plan review services, and USA Services for street sweeping.

Event & Visitors Bureau has a proposed budget for 2016 at \$455,424 to increase the number and quality of events and expand tourism marketing. \$40,000 from the Corporate Business Partner Program helps to offset the costs, and plan to establish \$55,000 contingency for marketing/events.

Valerie Theatre general fund budget at \$349,003 will be used to provide programs and events centering on quality to attract residents and visitors. The event series is to start September 2015. Plans are for ICRA to lease the building at \$150,000/year and work in concert with the 501c3 board. The city will continue have ownership of the building and contents, maintain the building and plaza, and provide funding for monthly programming at \$60,000/year. The personnel budget of \$106,698 includes the cultural services director and seasonal and part-time positions. The operating budget of \$167,305 includes a contribution to the nonprofit board at \$60,000/year, building costs and \$59,350, and contingency of \$37,955.

City Manager DiGiovanni spoke to the ICRA revenues of \$243,359 for 2015 and \$1,169,254 for 2016, and to what this money coming into the City can do.

2016 Operating Expenditures

Total expenditures - \$346,385 include special attorney fees, contractual services, etc. Total capital outlay of \$15,000 includes lighting and banner programs. Reimbursement of the general fund for administrative costs and legal/consulting services for the CRA expansion totals \$211,500 and \$100,000 respectively. Ending cash reserves projected for 9/30/16 is \$61,369. Total 2016 operating budget totals \$834,254.

City Manager spoke to the CRA income of \$1,169,254 and the need begin planning in various areas and commit that money to these projects for planning, bond debt to support projects, etc. These funds can also be utilized for some concepts for Whispering Pines Park.

2016 – 2020 Capital Improvement Program

Master Plans include stormwater plan-\$50,000 - 2016; medical arts district-\$25,000 2017; White Lakes industrial park-\$25,000- 2017; Whispering Pines Park-\$25,000 - 2018 and Wayfind Sign/Corridor Enhancement-\$25,000 - 2018.

Improvements include downtown kiosks-\$20,000- 2016; Godowski property development-\$1,325,000 - 2018 (bonded debt); Annual Façade program-\$20,000 (2016-2020); Lake Front Improvement-\$1,000,000 (2016 thru 2018) (bonded debt); WPP campground-\$1,000,000 (2016-2018) (bonded debt); Highland Blvd. Stormwater-\$200,000 (2016-2020); Electrical Infrastructure-\$100,000 (2017-2020); Tompkins St. Rehab-\$139,366 (2018-2019); Pine St. and Main St. Parking-\$350,000 (2018-2020); WPP roadway/parking/drainage-\$234,194 (2019-2020); and downtown amenities and street pole banners-\$25,000 annually(2016-2020). Bond debt will be used to protect the funds so they remain committed to the various projects. Debt service cost/repayment at \$200,000 in 2016 and \$228,000 annually thereafter to total a repayment of \$3,000,000 over a 20 year period.

Revenues – Mill Levy

Property values remain low, excluding the 2015 addition of the hospital, with property values nearing 2007 levels. City Manager spoke to a mill levy comparison from 2007-2016 and the highs and lows throughout those years.

All Fund Summary chart for 2016 proposed budget revenue sources by type (Governmental, Special Revenue, Enterprise, and Trust Funds) is \$21,957,130. This amount does exclude all of the reserves. He noted the property taxes at 14.0%. The All Fund Summary chart for 2014 proposed budget expenditures by function (Governmental, Special Revenue, Enterprise, and Trust Funds) is \$21,957,130 excluding reserves. All Fund Summary for 2016 proposed budget revenue sources by type (Governmental, Special Revenue, Enterprise, and Trust Funds) was \$21,957,130 noting that personnel services are very low due to the 3P partnerships.

Major 2015 Initiatives include the Valerie Theatre, expansion of marketing and branding through EVB, and the expanded CRA project development and implementation. City Manager spoke to the Whispering Pines Park restructure to improve community interaction, increase efficiency, improve revenue, and reduce cost. Highland Blvd. and Zephyr Street improvements were noted as well as the inaugural year of Fire/Rescue Services. Other initiatives include special event programming, exposure, additions, and sponsorships; CRA projects; property development, lakefront improvements and WPP campground project.

2016 Debt Issuance shows CRA financing of lakefront improvement-\$1,000,000; WPP Campground facility-\$1,000,000; Godowski property development-\$1,000,000 totaling \$3,000,000 in debt. Annual payments for a 20 year term will include \$228,000/year ICRA fund, CRA funds commitments, and no general fund impact

City Manager DiGiovanni referenced the summary revenues by fund spreadsheet and the summary expenditures by fund have been included and addressed. He noted that the total budget at \$35,708,573, and only \$14,912,814 spent.

Personnel Cost Allocation-All Funds graph totaled \$2,865,211. **Personnel Service Expenses** city wide increased 11.4% (\$293,013). Proposed 2016 budget does not directly provide employee increases; yet eliminates and reclassifies various positions, but includes additional staff for IT, Fire Services, etc. and a full time maintenance mechanic between satellite parks and cemetery operations. City Manager addressed increased with the FRS retirement contributions being +30.7% (\$61,743), and employee benefits. He spoke of employee classification increases.

Budget Goals focuses on the motto: Find It; Fix It; Make It BETTER. The goals that will be achieved include protecting reserve funds for unforeseen needs and emergencies, implement City goals & objectives, event marketing, deliver expected service levels etc.

In Summation this budget provides that all service levels are maintained, meets maintenance demands, supports cultural events, achieves dynamics, provides value and gets it done.

Council Comments:

Councilman McBride expressed appreciation to all staff. He had concerns regarding the campground at WPP and the ball fields that could be affected. City Manager stated there can be more conversations and this project will not happen in the near future. Councilman questioned charges for fire services and County involvement, with City Manager explaining the potential agreement with the County and that this budget does not go in place until October, when we can begin to consider recruitment likely in November/December. The CRA leasing of the Valerie Theatre was questioned and explained.

Councilman Ryan praised the staff as some of the greatest he has known. He spoke to the recreation taxes paid by the citizens and getting nothing back. CRA funds from the County were questioned with City Manager stating that the County will pay into the CRA as it is a legal instrument unlike the park agreement.

Councilman Hinkle praised the staff and spoke to the CRA as benefiting not only the city but the whole County. He questioned the training of the fire department employees possibly through WTI with City Manager stating all of this will fall in place once the new budget year starts. Councilman questioned how we get the CRA money with half coming from the County and comes to the City in the ensuing year. He spoke of the big impact of the Valerie Theatre and the impact of HCA in our medical community. City Manager stated that with planning the future is rich and stable, but it comes down to the planning.

Councilwoman Bega stated how dynamic this is going forward. She questioned the \$125,000 for reserves and \$500,000 equipment reserves and if this had anything to do with fire services. City Manager noted it definitely could as equipment typically speaks to

bucket trucks, etc., but we are trying to allocate the budget for Council to have a very clear understanding of what fire will cost today, tomorrow, and the future.

Mayor Plaisted stated that after sitting here for so many years the budget seems to develop more clarity. City Manager stated the budget effort involves many City staff members. Mayor commended the leadership and staff commitment.

Council President Hepfer agreed with everything Council has stated. She questioned the total for fire and the \$75,000 being subtracted from Tri-City, and the cost of dispatch. City Manager explained the role of Tri-City and that the cost of dispatch has not been discussed yet.

City Manager DiGiovanni stated the city is fully funded and the reserves are being replenished. He spoke to the expanded services, building new entities, planning huge projects, and the impact and potential of the Valerie Theatre. This provides a very solidified foundation moving forward.

Meeting Adjourned at 7:20pm

City Clerk

Council President