

# City of Clearwater

*City Hall  
112 S. Osceola Avenue  
Clearwater, FL 33756*



## Meeting Minutes

**Thursday, August 2, 2018**

**9:00 AM**

**Special Council Meeting re: Budget**

**Council Chambers**

**City Council**

## Roll Call

**Present:** 4 - Mayor George N. Cretekos, Councilmember Hoyt Hamilton, Councilmember Bob Cundiff and Councilmember David Allbritton

**Absent:** 1 - Vice Mayor Doreen Caudell

**Also Present:** William B. Horne II – City Manager, Jill Silverboard – Deputy City Manager, Micah Maxwell – Assistant City Manager, Pamela K. Akin - City Attorney, Rosemarie Call - City Clerk and Nicole Sprague – Official Records and Legislative Services Coordinator

***To provide continuity for research, items are listed in agenda order although not necessarily discussed in that order.***

Unapproved

### **1. Call to Order – Mayor Cretekos**

*The meeting was called to order at 9:00 a.m. at City Hall.*

### **2. Citizens to be heard re items not on the agenda – None.**

### **3. City Manager Reports**

- 3.1** Discussion of updated 2018 General Fund Sustainability Analysis and proposed Penny for Pinellas III project list.

The General Fund Sustainability Analysis prepared by Stantec Consulting has been updated to include certified property values and all figures included in the Fiscal Year 2018/19 Preliminary Operating and Capital Improvement Budget. Staff has the “control panel” available for review.

As required by City Ordinance, a public hearing for approval of the Penny for Pinellas project list is held prior to adoption of the capital improvement budget. In advance of that public hearing, scheduled for September 6, 2018, the proposed project list is available for review of changes included in the proposed 2018/19 budget.

*Finance Director Jay Ravins provided a slide presentation on the latest version of the general fund sustainability analysis completed by Stantec, which includes the latest property tax values provided by Pinellas County.*

*In response to questions, Mr. Ravins said the model predicts there will be 17.4% in reserves (excess of the minimum) in 2028. Best practice for governments is to have two months in general fund reserves, which is approximately 16.7%. The main cause in the difference between the bars in 2022 is due to the property tax values forecast based on what was expected for fiscal year 2019. In years 2022 and 2024, the capital expenditures budget is significantly reduced; funding for the public services complex was carved out (\$7.7 million in 2022 and \$4.1 million in 2024). Deputy City Manager Jill Silverboard said the analysis shows the difference between a 1.2 and 0.8 millage increase; the preliminary budget documents assumes 0.8 millage increase. She said the analysis presented to Council this morning is to show why a 0.8 millage increase works. Mr. Ravins said there has been an extended period of time of increased property values without a recession; the consultant recommended 4% decrease to reflect that property values do go up and down. If property values increased at 8%, council would have the opportunity to lower the millage rate. Budget Manager Kayleen Kastel said the City's increase in property values is projected based on the increased millage rate combined with the increase in values. Ms. Silverboard said the forecast model does not assume the addition of any new FTEs in the general fund; it assumes zero growth in the number of employees. Mr. Ravins said if the millage was not increased and properties values increased by 9.8%, the City's revenue would be \$4.5 million in additional property tax revenue. If the additional homestead exemption passes, the anticipated loss in property tax revenue will be approximately \$1.5 million. Mr. Ravins said the City's reserve levels have been decreased to a minimum that is not sustainable. In addition, staff is looking at a 10-year forecast and based on needs of growing programs (i.e., operating costs for Crest Lake Park, Imagine Clearwater, Morningside Recreation Center, sports tourism) the expenditure rate is not sustainable at the current millage level. Ms. Silverboard said the increased property tax revenues do not cover the costs for the proposed budget; a millage increase is needed to cover the proposed budget. Ms. Kastel said the City's property tax revenues contributes 41% of the budget, with the proposed millage increase. Mr. Ravins said the City could have increased the millage rate over the past ten years but was able to balance the budget with reserves for one-time capital projects instead. The City Manager said there are fewer employees than there were 10 years ago.*

*One individual requested consideration to the neighborhood services unit by one FTE.*

*The City Manager said staffing for neighborhoods services was reduced*

*during the recession. Staff did not feel that much was being accomplished and Council did not advocate for maintaining that level of staffing. There is currently one individual managing those services who has been concentrating on Lake Belleview, a troubled neighborhood. He said staff responds to meeting requests from home owners and neighborhood associations. The Deputy City Manager will be attending the Clearwater Neighborhoods Coalition meeting on August 6, 2018.*

*There was no council consensus to increase the FTE count for neighborhoods services.*

*One individual requested funding to address neighborhood sustainability.*

*Ms. Kastel reviewed the Penny for Pinellas III list.*

*In response to questions, Ms. Kastel said Ruth Eckerd Hall was pre-funded with general funds with the intention to use Penny funds. The City Manager said staff is looking at moving the Lakeview Fire Station replacement farther east and south to improve response times; the properties identified for the new station were not supported by the neighborhoods. If another location is not identified, staff will recommend to renovate the existing facility. The City Manager said that area of the city has the most demand for EMS services. The City receives assistance from Largo via the mutual aid system if we are not able to respond to a call.*

*Councilmember Cundiff departed Chambers at 9:51 p.m. and returned at 9:53 p.m.*

**4. Closing comments by Councilmembers (limited to 3 minutes) – None.**

**5. Closing Comments by Mayor – None.**

**6. Adjourn**

*The meeting adjourned at 9:58 a.m.*

Attest

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Mayor  
City of Clearwater

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City Clerk

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