



**Minutes of the
Crystal River City Council
Budget Workshop
Wednesday, March 30, 2017 3:00 p.m.
Council Chamber, City Hall**

1. CALL TO ORDER

Council members present: Mayor Farley, Vice Mayor Fitzpatrick; Council member Gudis; Council member Holmes

Staff present: City Manager Dave Burnell, Finance Director Michelle Russell, Public Works Director Beau Keene, Planning and Development Services Director Jackie Gorman, Special Events Coordinator Leslie Bollin, Waterfronts and Community Services Manager Ed Call

Mayor Farley led in the Pledge of Allegiance.

2. PRESENTATION

A. Presentation of draft budget and goals for Fiscal Year 2017

City Manager Burnell provided a brief introduction and overview of the workshop purpose and requested Council input regarding prioritization of specific goals.

Special Events Coordinator Leslie Bollin addressed Council questions and comments regarding monthly Music in the Park events, cost feasibility, additional funding for events and the possibility of expanding the Special Events Coordinator position to fulltime.

City manager Burnell and Finance Director Michelle Russell then reviewed each type of fund, as referenced in the budget memo.

Background: [Budget Memo](#)

General Fund

Revenue and Expense Year-End Projections for FY2017:

As of data through February 29, 2017, staff is projecting General Fund revenues to come in approximately \$2.1 million more at year-end, which results in around \$115,000 less revenue than expenditures versus the original excess of \$26,631. The main source of additional revenues received thus far is the \$1.6 million of grant state grant funds for the Save Crystal River project. The building permits for FY17 appear to be approximately \$71,000 higher than originally projected along with parking meter collections to exceed approximately \$90,000 more than projected, and fines and code violation collections are running approximately \$65,000 more than projected. The main revenue sources including ad valorem, electric utility tax, telecommunications and alcoholic beverage licenses are down in total approximately \$33,000; overall revenues seem to be coming in around the projections for FY17.

Based on a preliminary five-month data, staff is projecting General Fund expenditures to come in approximately \$2,276,282 above what was budgeted; again primarily due to the Save Crystal River project that was approved following the adoption of the FY17 budget. The majority of the departments' expenditures appear to be coming in just a little under budget. As in FY16, the expenditure budgets remained tightened up resulting in less of an unexpended budget in the end.

Overall, management is pleased with the City's general fund activity to date. It is believed the tightening up of the expenditure budget and the continued utilization of additional revenue sources like parking meter fees and lien search fees has aided in the funding of renewal and replacement as well as assist in building reserves. As discussed and with Council's approval, management plans to begin a renewal and replacement fund for parks in addition to fire and public works utilizing the parking meter revenue. This will be implemented following the closeout of FY17.

Revenue and Expenditure Forecast for FY2018:

Upon analysis of the ad valorem collections to date, staff is projecting the FY2018 values to increase approximately 4%, this is approximately \$51,000 more than projected for FY2017. Our collections to date are approximately 4% higher than this time last year. Staff will be coordinating with the Property Appraiser office in order to clarify this is the case.

Staff has reviewed expenditures and made a few adjustments based on current year activity and future projections. Management has chosen to retain the same staff position percentages funded by General Fund as adjusted for FY2017. Utility Clerk will continue to be funded 100% by Water and Sewer. Several of the positions will remain funded partially through CRA funding as adjusted in FY2017 as well. FRS rates have not been released as of the publication of this document; this benefit will be adjusted accordingly prior to the finalization of the FY18 budget.

In FY2016 the City chose to form the new department entitled Waterfronts and Community Services. This department is managed by Waterfront Manager. The department will continue to reflect the operations of Parks Enforcement, Code Enforcement, Water Enforcement, and Pumpboat Operations. The Non-Departmental still exists as newly established in FY2015 along with Marketing and Special Events representing its own department - Marketing as re-established in FY2016. This provides for a better audit trail within each area.

End of Budget Memo]

City Manager Burnell discussed projected revenue increases and sources, addressed Council questions and comments regarding Hunter Springs Park and parking meters and staffing changes. Ms. Russell discussed the need for Human Resources staff or services, and annual increases for certain positions.

Background: [Budget Memo]

Water/Sewer Fund

Water and Sewer rates have been increased 3% based on the rate study completed in FY2013 for a period of four years. Overall collections appear to be on track at the five month interval.

Sanitation Fund

Sanitation collections are a little under at this time. The trend for businesses to economize on their container size continues to show. This area continues to be monitored.

End of Budget Memo]

Staff noted a projected increase for Water and Sewer revenues and impact of franchise fees on the sanitation fund.

Background: [Budget Memo]

Community Redevelopment Agency (CRA) Fund

Tax-increment funding (TIF) revenue is lower than projected. FY15 collection from the County was at \$508,746.50 and FY16 collection was only at \$488,548.90. FY17 collections came in just a little higher at \$498,142. Staff will analyze this variance further before finalizing the FY2018 budget. However, the fund balance is remaining idle due to the long anticipated Riverwalk project.

End of Budget Memo]

City Manager Burnell requested input on small CRA projects like corner rehabs, and Council member Holmes requested pavement and drainage for NW 3rd Avenue. Discussion was also held regarding stormwater grants, stormwater (and other) fee assessment, and trolley advertisements.

Background: [Budget Memo]

Three Sisters Springs Project

Three Sisters Spring budget for FY18 has not been determined as of this date. Management and Council are still discussing the future for this project. Upon final determination of the future of this project, the budget will be adjusted accordingly.

End of Budget Memo]

To be discussed at a future date.

Staff then reviewed current and FY 18 proposed budgets for each of the departments, along with current and proposed budgets for areas including Non-Departmental, Capital Improvements Projects, Water and Sewer Operating, Sanitation and Community Redevelopment Agency.

MAYOR AND CITY COUNCIL-

Staff advised there were no proposed changes, aside from annual increase previously discussed.

CITY MANAGER-

Council member Holmes inquired about reports from the City Advocacy Services Consultant who provides legislative updates.

FINANCE DEPARTMENT

Ms. Russell confirmed there were no changes other than the Human Resources proposal previously discussed. Staff also addressed Council questions regarding funding sources for various Finance Department positions.

PLANNING AND COMMUNITY DEVELOPMENT

Discussion was held regarding proposal for a full time Zoning Assistant position, and expenses related to the upcoming Comprehensive Plan EAR Amendment.

FIRE DEPARTMENT

Staff noted renewal and replacement funding increase for new ladder truck, and provided clarification regarding CCSO related costs including 911 dispatch service, and communications system, as well as cell phone contracts.

PUBLIC WORKS

Staff made note of decreased Administrative and Parks and Recreation expenses and provided clarification regarding appropriation for the Save Crystal River Vacuum Dredge Pilot Project for Kings Bay. Discussion was also held regarding security monitoring, insurance increases, janitorial services, efforts to convert street lights to LED, Christmas and mulch cost increases, and HVAC issues that caused an increase in Building Maintenance and Repair.

LAW ENFORCEMENT

Council discussion was held regarding communications with new leadership, the need for contract renegotiations and satisfaction with the new Community Resource officer. Further discussion was held regarding options related to law enforcement services, including re-establishment of a City Police Department, and options for the negotiation process.

WATERFRONTS AND COMMUNITY SERVICES

Discussion was held regarding planned demolition of the building at Kings Bay Park, increased hours for Park Rangers, and the possibility of modifying the kayak launch at Kings Bay Park in the same way it was done at Hunter Springs Park.

MARKETING

City Manager Burnell made note of the possible position change from part-time to full-time. Ms. Bollin also addressed Council questions regarding funding necessary to hold monthly events, as well as funding of the annual fireworks display.

Further discussion as held regarding the Water and Sewer fund, including system loss, meter inspections, establishment of a backflow prevention program, submission of a Hazard Mitigation Grant Program (HMGP) application and an upcoming utility conditions report being prepared by U.S. Water.

City Manager Burnell then provided an update regarding the status of the Riverwalk project, as well as other CRA-related projects, including corner improvements, Hunter Springs Park expansion, and the FDOT Highway 19 project.

Council discussion was then held regarding the tentative TRIM, set at 4.5 mils, compared with the current rate of 4.2, and expense items that would impact this decision, including law enforcement. A brief discussion was also held regarding Kings Bay, current jurisdictional boundaries and mooring field establishment, as well as training related to the Sabal Trail pipeline.

4. PUBLIC INPUT

5. ADJOURNMENT

Mayor Farley adjourned the meeting at 2:22 pm.

CITY OF CRYSTAL RIVER



JIM FARLEY, MAYOR

ATTEST:



MIA FINK, CITY CLERK

