



City of North Port

4970 CITY HALL BLVD
NORTH PORT, FL 34286

Meeting Minutes City Commission Workshop

CITY COMMISSIONERS

Linda M. Yates, Mayor
Vanessa Carusone, Vice-Mayor
Christopher B. Hanks, Commissioner
Jill Luke, Commissioner
Debbie McDowell, Commissioner

APPOINTED OFFICIALS

Peter Lear, Interim City Manager
Mark Moriarty, City Attorney
Patsy Adkins, City Clerk
Kathryn Peto, Deputy City Clerk

Wednesday, May 17, 2017

9:00 AM

CITY HALL ROOM 244

BUDGET WORKSHOP

NOTE: This is a draft copy of the minutes of the 05-17-2017 Commission Budget Workshop Meeting, has not been approved by the Commission and is subject to change.

CALL TO ORDER/ROLL CALL

The North Port City Commission Budget Workshop Meeting was called to order at 9:00 a.m. in Meeting Room 244 by Mayor Yates.

Present: Mayor Yates; Vice-Mayor Carusone; Commissioners Hanks, Luke and McDowell; Interim City Manager Lear; City Attorney Moriarty; City Clerk Adkins; Deputy City Clerk Peto and Police Chief Vespia.

The Pledge of Allegiance was led by Commissioner Luke.

1. APPROVAL OF AGENDA – COMMISSION

Commissioner Luke provided a few words regarding the recent wildfire in the Raintree area and commended fire fighters.

There was a consensus to approve the Agenda as presented.

2. PUBLIC COMMENT:

There was no public comment.

A. [17-1066](#) Presentation of Fiscal Year 2017 Mid-year update

Interim City Manager Lear and Interim Finance Director Lowry provided a brief overview of

the preliminary Budget to actual comparisons for each fund and the Fund Balances as of May 10, 2017.

Recess 9:17 a.m. - 9:30 a.m. to adjust the audio.

Discussion ensued: (1) following a question, clarification was provided that the Utility Fund revenues were high due to new utility customers coming online and the timing of when other water revenues are received from developers; (2) it was stated that expenditures on capital projects may vary from month to month; (3) after a question, the different categories of the Fund Balance were explained: non-spendable; restricted; committed; assigned; unassigned; and how those funds can be spent and acquired; (4) it was stated that a 15% minimum Fund Balance would be slightly over \$5 million; (5) the difference between the Economic Stability Policy and the mandated Fund Balance Policy was explained; (6) it was stated that the Economic Stabilization Policy was set up to help weather a recession and to avoid an increase in millage rates and/or a reduction in services due to layoffs; (7) it was suggested to set up a time limit on the funds within the Economic Stability Fund and then re-evaluate it later, rather than combining that fund with the funds in the Fund Balance Policy; (8) clarification was provided that the Fund Balance is not a yearly balance but an accumulation; (9) it was suggested to dissolve Resolution No. 2016-R-20 for the Economic Stability Policy and clean up the language in the main Fund Balance Policy; (10) the Capital Acquisition Policy was explained; (11) it was suggested to keep the Economic Stability Policy but change the Fund Balance Policy balance to the minimum of 15% and distribute the remaining amount into other capital acquisition funds; (12) it was stated that one of the primary reasons for the second policy was to protect the City's bond rating in the event of another economic downturn; (13) it was suggested that after the requirements have been met for the reserve fund, any excess money in that fund should go back to the tax payers; (14) after a question, it was stated that the City's road bond debt may be paid off early but not until after the 10-year point; (15) clarification was provided that the Capital Acquisition Fund is part of the annual budget and only needs Commission direction to staff to have the Capital Acquisition Fund Balance transferred to General Fund Rolling Stock; (16) after a concern, it was stated that the two policies will be brought back at a special meeting where the City's financial advisor may attend and provide recommendations.

There was a consensus to direct the Interim City Manager to bring back at a Special Meeting, the Fund Balance Policy and the Economic Stability Fund Policy, better defined and clarified; with the Fund Balance capped at 15-20% and the Economic Stability Policy also better clarified and capped at 5-10%.

Discussion continued: (1) clarification was provided that if the Economic Stability Fund amount is proven to be imprudent, the funds will be moved; (2) following a request, staff will provide a breakdown of how the \$671,666 adjusted reserve use of Fund Balance from Fiscal Year 2016-17 was allocated in the Fire Rescue, Road & Drainage and Solid Waste Districts; (3) concern was expressed regarding the changes that will take place in the Homestead exemptions law and how it will affect tax revenues to the City; (4) it was suggested to reduce the Fund Balance Reserve to from 25% to 15% for Fiscal Year 2017-18 and add 5% to the Economic Stability Policy; (5) concern was expressed regarding having sufficient funds to cover an emergency; (6) Vice-Mayor Carusone suggested to maintain a 25% overall reserve and favored a reduction to 15% of the General Fund Balance Reserve Fund; (7) Commissioner Luke favored waiting to hear from the Finance Department regarding how the District Fund Balance would be set up before making a decision, but favors freeing up some of the funds for one year for the Districts to move forward with the planned projects, then go back to the higher Fund Balance amount the following year.

There was a general agreement to maintain the Fund Balance Reserve at 25%, with

Vice-Mayor Carusone and Commissioner Luke dissenting for reasons previously stated.

Discussion continued: (1) it was stated that a methodology study is required every five years and the process for the study was explained; (2) concern was expressed that monies should be placed in the Capital Acquisition Fund for rolling stock that applies to the General Fund.

There was a consensus to direct staff to make sure money is put into the Capital Acquisition Fund for rolling stock that applies to the General Fund.

Concern was expressed that there is no fund accruing in anticipation of major repairs to City Hall and other City buildings.

There was a consensus to direct staff to implement the same mechanism and planning in the General Fund for vehicles as well as repairs and upgrades on existing City facilities, that is done for other capital acquisitions.

Discussion continued: (1) following a question, it was stated that the District funds are in an investment account, the interest earned to date in the Road and Drainage district is \$3,049.95, and the previous year's interest would be included in the \$1.4 million amount in the Road and Drainage Fund Balance; (2) clarification was provided that each District has its own Fund Balance; (3) subsequent to a concern, it was expressed that currently Districts expenditures should be heard and approved at a District Governing Board Meetings and not at Commission Meetings; (4) clarification was provided that the Districts are funded out of the Capital Acquisition Fund (a non-District budget) so the thought process was to bring back the purchases to the entity who approved the Capital Acquisition Fund Budget; (5) this process is a matter of preference and there are no illegal issues doing it at a Commission Meeting, it is up to the will of the Board.

There was a general agreement to direct staff to bring back Capital Acquisition purchases to the appropriate District for approval of the expenditure.

Following a question, clarification was provided that generally speaking, the Capital Acquisition Funds are for rolling stock and Fleet Maintenance is an exception due to the high cost equipment in the facility. In Fiscal Year 2017-18 a fuel tank is scheduled to be replaced at the Pan American Boulevard Fleet location.

Recess 12:15 p.m. - 12:51 p.m.

B. [17-1067](#) Presentation of Fund Balances

This agenda item was discussed during Agenda Item A.

**C. [17-1068](#) Fee Questions and Answers from April 6, 2017 Workshop
Revised City-wide Fee Ordinance for FY 2018**

Commissioner Luke stated for the record, that after a conversation with the City Manager during the recess, she changed her opinion regarding the last consensus and is now in agreement that expending District funds should be approved at their respective District Meetings.

PLANNING & ZONING

Neighborhood Development Services Director Williams presented a brief overview of the Special Events Permit and the Temporary Use Permit definitions as requested by the Commission at the last Workshop Meeting.

Discussion ensued: (1) it was stated that the Temporary Use Permit will be updated to

include language that the \$120 will be waived for non-profit organizations with a 501(3)c; (2) it was noted that the applications should be simplified and it was stated that staff will review the applications; (3) clarification was provided that staff will review the new software and determine whether it will enable electronic submission of permits; (4) clarity is needed regarding the advance deadlines for submission of permits; (5) it was noted that the 12-month permit validation needs to be clarified and the requirement will be reviewed; (6) verification was provided that all food vendors must have a Health Department License; (7) it was reported that a special event must first reserve the facility through the Parks & Recreation Department and then apply for a Special Event Permit.

BUILDING

Discussion ensued: (1) clarification was provided that the Ordinance for Business Tax was generated by an Equity Study Commission; (2) it was noted that there is a \$50 base fee and then a fee calculated on the square-footage of the business.

There was a consensus to direct staff to review the Business Tax and implement a new study to update the fee calculations.

BUILDING continued.

Discussion ensued: (1) clarification was provided that most municipalities will not make a business incur a business tax in their city if it is held in its own city, however Sarasota County has the right to add additional business tax to a business that is located within the county; (2) the process and total permitting cost for a fence was provided; (3) it was suggested to review the cost of permits.

There was a consensus to direct staff to review and re-evaluate the inspection fees and permits required and bring back recommendations; to bring back a breakdown of costs for each of the items in Section F of the question sheet; define the process and define what is determined to be a fence in relation to the permit fees; and the requirements for sheds.

BUILDING continued

Discussion ensued: (1) after a conversation regarding the permits for pools, it was stated that it would be helpful to have a City's website link, listing the simple permit questions people may have, or a topic covering permit fees could be included in the City's quarterly Currents flyer; (2) following a concern, the difference between City-wide outsourcing and in-house mowing was explained; (3) it was stated that mowing in City parks costs less because it is a continual contractual service and mowing overgrowth on yards is not; (4) clarification was provided that the City experienced a savings by outsourcing mowing and the ongoing cost remains lower than in-house costs; (5) clarification was provided that the land clearing permit application has a separate box for underbrush only and costs \$50 and the \$255 fee is for larger developments; (6) subsequent to a question, it was stated that tree harvesting is not clearly defined, is a fairly new practice, and currently, the City Code does not address the issue; (7) it was suggested to consider reviewing an incentive for removing invasive species.

There was a consensus to leave the mowing in place as it is now on the parks and remove SLA 18-0761.

There was a consensus to direct staff to provide a cost breakdown for land clearing for underbrush.

BUILDING IMPACT FEES

There were no questions from the Commission.

Recess 2:43p.m. - 2:59 p.m.

UTILITIES

Utilities Director Newkirk and Utilities Business Manager Desrosiers provided an overview.

Discussion ensued: (1) following a question regarding delinquency fees, it was stated that the Utilities processing fee of \$30 includes both turning off and turning on the water but if the account is delinquent, another \$20 delinquency processing fee is added during regular hours and is charged in advance; (2) it was stated that if service to turn water back on is requested by a customer after hours, the fee includes the overtime for the crew that goes out; (3) it was suggested to rename it a reinstatement fee, not a delinquency shut-off charge; (4) clarification was provided that water services cut-offs are always done in the morning and never after normal business hours; (5) changing or clarifying the names of certain fees was discussed; (6) it was noted that unlike normal delinquency shutoffs that are done in groups by location, the reinstatement fee is higher for seasonal customers because they can be spread out over a larger area; (7) it was suggested to be more consistent in charging the same fees for the actual service.

There was a consensus to direct staff to change the names of the following Utilities fees: (1) Delinquency Shutoff Charge, to Delinquency Service Fee - Normal Hours - (Charge includes both turn off and turn on services when a customer is physically shut off for non-payment); (2) Delinquency Shutoff Charge, to Delinquency Service Fee - After Hours - (Charged in addition to the Delinquency Service Fee-Normal Hours, if a customer requests a turn on after hours if turned off due to non-payment); (3) Reinstatement of Existing Service, to Reinstatement of Existing Seasonal Service - Normal Hours (charge includes both turn off and turn on services); (4) Reinstatement of Existing Service, to Reinstatement of Existing Seasonal Service - After Hours (charged in lieu of the Reinstatement of Existing Seasonal Service-Normal Hours, if a customer requests a turn on after hours for a customer-requested turn off; charge includes both turn off and turn on services); (5) to review why some fees are different for the same service and to be more consistent in charging the same fees; (6) Construction/Re-inspection Fee, to Construction/Re-Inspection Fee (Due to a failed first inspection); (7) Overtime Inspection Fee, to Overtime Inspection Fee (For inspections that must be completed after regular business hours).

PARKS AND RECREATION

Interim General Services Director Pfundheller provided an overview.

Discussion ensued: (1) it was suggested that the non-profit organizations should be able to sell food at festivals; (2) there should be a separate line item for parade entries: one for excluding local governments and one for local governments; (3) there was a brief discussion regarding charging non-profit organizations to rent a room; (4) a review of room rental rates is needed; (5) a report concerning the percentage breakdown of meeting room usage will be provided to the Commission; (6) clarification is needed in the after hours charges for the Morgan Center room rentals; (7) the current rates were provided by a rate consultant and staff can provide a similar report for the Commission; (8) it was suggested to grant free utilization of one room for community-oriented instructional events and meetings that are open to the public at the Morgan Family Community Center and one room at the George Mullen Activity Center; (9) once the worksheet comes back, other policy issues can be discussed; (10) it was noted that staff will work on the Commission's other larger reports after this year's budget calendar is over, with an approximate plan to come back in January, 2018 for further discussion.

There was a consensus to have two separate line items for Parade Entries: one excluding local government, active military and non-profit agencies (with proof of 501(c)3 for \$30; and one for local government active military and non-profit agencies with proof of a 501(c)3 certificate at no charge.

There was a consensus to direct staff to evaluate the City facility rental fees; what are the costs; how the fees compare to the City's costs; and to provide a rate breakdown; and a flat rate breakdown.

There was a consensus to reduce the fees for park rentals by half, for gazebos, pavilions, open space rentals and indoor facility rentals for non-profit organizations that have a 501(3)c certificate and Achieve Anything Members, as found on pages 21 and 22, excluding setup fees.

ROAD AND DRAINAGE

Discussion ensued: (1) subsequent to a concern regarding a previous request for information, Public Works Director Bellia stated that the reports comparing mowing in-house vs. outsourcing, and road maintenance in-house vs. outsourcing is almost finished and will be ready for the Workshop in early June.

Following a question, it was stated that all of the Commission directions given to staff at the budget assumption meetings will be brought back at the Preliminary Budget Workshops for Commission review.

After a request, the Non-District and Utility Preliminary Budget Workshop time will change from 8:30 a.m. to 9 a.m. on June 20, 2017.

3. COMMISSION REPORTS:

Nothing to report.

4. ADMINISTRATIVE AND LEGAL REPORTS:

Nothing to report.

5. PUBLIC COMMENT:

There was no public comment.

6. ADJOURNMENT:

Mayor Yates adjourned the North Port City Commission Budget Workshop Meeting at 4:41p.m.

City of North Port, Florida

By: _____
Linda M. Yates, Mayor

Attest: _____
Patsy C. Adkins, MMC, City Clerk

Minutes approved at the City Commission Regular Meeting this ____ day of _____, 2017.