



# City of North Port

4970 CITY HALL BLVD  
NORTH PORT, FL 34286

## Meeting Minutes - Final City Commission Workshop

### **CITY COMMISSIONERS**

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

### **APPOINTED OFFICIALS**

*Peter Lear, City Manager*  
*Amber L. Slayton, City Attorney*  
*Patsy Adkins, City Clerk*  
*Kathryn Peto, Deputy City Clerk*

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Tuesday, March 6, 2018

9:00 AM

CITY HALL ROOM 244

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### **MINUTES APPROVED AT THE 04-24-2018 MEETING.**

#### **CALL TO ORDER/ROLL CALL**

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

Present: Mayor Carusone; Vice-Mayor Yates; Commissioners Hanks, Luke and McDowell; City Manager Lear; City Attorney Slayton; City Clerk Adkins; Recording Secretary Hale and Police Chief Vespia.

**Present:** 4 - Mayor Vanessa Carusone, Vice-Mayor Linda M. Yates, Commissioner Jill Luke and Commissioner Debbie McDowell

**Absent:** 1 - Commissioner Christopher Hanks

**The Pledge of Allegiance was led by City Manager Lear.**

#### **1. PUBLIC COMMENT:**

There was no public comment.

#### **2. DISCUSSION ITEMS**

##### **A. [18-122](#)**

Presentation and Discussion on 2019 Budget Assumptions, Projections and Priorities

City Manager Lear clarified that the Strategic Planning Sessions are being scheduled for April and the budget assumptions are not derived from the Strategic Plan. Thereafter, Finance Director Lowrie presented a PowerPoint review of the budget projections.

Discussion ensued: (1) clarification was provided that the projected "available" Fund

Balance in the Capital Acquisition Fund Balance was derived from the budget amount approved in September, 2017, minus transfers from the Fleet Maintenance Division and the expenditures scheduled for 2018; (2) staff will provide the audited amounts for each Fund column and reconcile the amounts to the totals found in the Capital Acquisition Fund Balance Analysis; (3) the Sarasota Association of Realtors will be contacted to find out how their statistical information breaks down for specific geographic areas; (4) staff will provide the Commission with a cumulative number of Certificate of Occupancies in North Port for 2017; (5) confirmation was provided that the data of population trends received from the Bureau of Economic & Business Research (BEBR) is reviewed for accuracy by the Neighborhood Development Services Department and when discrepancies found they are appealed through the proper channels.

Commissioner Hanks arrived at 9:37 a.m.

Discussion continued: (1) staff will research how other jurisdictions determine seasonal population numbers; (2) the 2010 Census estimated a North Port household consisted of 2.5 people; (3) subsequent to a question, it was stated that the amount in the Firefighters' Pension Fund fluctuates every year and is funded by employee contributions, investment earnings, City contributions and some funding that comes from the State. The City's contribution depends on how changes in the market affect the Pension Plan's declared rate of return; (4) it was clarified that not all increases and decreases in the General Fund Key Expenditures could be listed on the PowerPoint slide; (5) a change in the Homestead exemption would not affect the City's 2018-19 budget and is an issue that needs Commission direction during the millage rate discussion; (6) if the Homestead Bill passes, the revenue loss to the City is estimated at \$1 million, however, that shortfall does not account for the future growth which is expected to offset the \$1 million reduction; (7) clarification was provided that the Homestead Exemption may not have a reduction in taxes as expected; (8) concern was expressed regarding an initiative to educate voters concerning the Homestead Exemption Referendum scheduled for the November election and City Manager Lear will assign staff the campaign to educate the community starting in June using the news media, electronic media and the City's Currents magazine; (9) the Property Tax Assumptions on the General Fund Projections slide shows a decrease in revenue in anticipation of an economic leveling-off in Fiscal Year 2021 from the present growth pattern; (10) following a concern, clarification was provided that the \$3 million increase in revenue in General Fund Projections is for five years, is based on a 12% increase in property taxes and includes all of the General Fund Revenues. The \$1.3 million on page 9 is based on a 5% conservative number and does not include all revenues; (11) it was suggested to base a Commission determination on the conservative \$1.3 million estimate for the General Fund/Revenue Impact for 2019; (12) the sidewalk project on Tropicair Boulevard is currently in the planning/design stage; (13) subsequent to a suggestion the following requests were made: [a] direction regarding the future of the YMCA pool; [b] pickleball courts at Dallas White and the tennis court expanded; [c] expanded parking at the Disk Pool Park on North Port Boulevard; [d] additional angle parking on U.S. 41; [e] terminate the Springhaven Drive road extension project and reallocate the funds to purchase property along the Myakkahatchee Creek; [f] an activity center similar to the Morgan Family Community Center on the east end of the City; [g] after suggesting a "dial-a-ride" for the elderly, it was confirmed that SCAT has a paratransit program to accommodate that need; [h] an open park on the east end of the City; (9) it was suggested to finish the current projects by the end of fiscal year 2017-2018 and add new ones the following fiscal year; (10) after a request for direction regarding a proposed millage rate, City Manager Lear explained budget scenarios as they would relate to the rollback rate, increasing the rate and the rate the same as last year.

***There was a consensus that for the purposes of the assumptions, to leave the Millage Rate the same as last year.***

**Present:** 5 - Commissioner Christopher Hanks, Mayor Vanessa Carusone, Vice-Mayor Linda M. Yates, Commissioner Jill Luke and Commissioner Debbie McDowell

Discussion continued: (1) the future fire station at West Villages in the 5-year Capital Improvement Program (CIP) and is in preliminary discussions with Sarasota County and West Villages for the coordinated plan for the transition from the County's responsibility to the City's. Future plans for law enforcement include a police substation; (2) staff will provide background information to the Commission regarding the civic signs located on private property and the Welcome to North Port sign near Cranberry Boulevard; (3) Mr. Dunn of the Atlanta Braves, stated they would provide flag pole banners at no charge and another individual was reported to have stated he will provide a larger sign advertising the Braves locating to North Port; (4) a future discussion will be scheduled regarding the flag policy; (5) it was suggested that in anticipation of an economic downturn, the City should be conservative and cautious in adding new employees and that that outsourcing should be used where it makes sense and is economically feasible.

Recess 11:03 a.m. - 11:20 a.m.

**B. [18-123](#)**

**Hilltop Securities Fund Balance Discussion Presentation**

City Manager Lear and Joel Tindal, Financial Advisor for the City provided a PowerPoint overview of the City's Fund Balance Policy and how it affects credit ratings, tax rates, the budget, and revenues/expenditures.

Discussion ensued: (1) clarification was provided regarding the difference between a general obligation bond which is secured from ad valorem property taxes, and non-ad valorem bond financing that was used to secure funds for the City's road improvements; (2) the City's Road & Drainage bond has an A1 rating from Moody's and has a AA- from Fitch.

**C. [18-128](#)**

**Discuss the City's current Fund Balance and Economic Stability Policies and review recommended changes.**

City Manager Lear and Finance Director Lowrie provided an overview and presented a Fund Balance Policy Resolution for consideration.

Discussion ensued: (1) It was stated in regards to the use of General Fund Balance reserves: [a] the change from a percentage range to a set number of days for the City's minimum reserve of General Fund operating expenditures used during disaster situations was recommended by the Government Finance Officers Association (GFOA); [b] the reserve amount can be changed back to a percentage upon Commission direction; [c] it was determined that the 75-days was preferred due to the City's location and susceptibility to storms; [d] the 75-days represent approximately 20.83% of the Fund Balance; [e] the 35-day Stability piece of the Resolution works out to be slightly less than 10% of the Reserve Fund with the 35 to 60-days set as a minimum range; [e] the Building Fund's recommendation for an additional \$500,000 is to take care of unsafe/damaged structures; [f] the Utility's Emergency Reserve range is 90 to 120-days of operating expenditures and the amount was included to address a potential need to bond a project; [g] it was stated that all the ranges/amounts used reflect what the City has done historically; (2) the same definitions used in Resolution No. 2011-R-14 will be attached when the new Resolution comes back for final Commission approval; (3) subsequent to a concern, clarification was provided that Ordinances are laws and should be codified and Resolutions are used for administrative matters such as a policy, should not be codified, and modification of a policy in a Resolution only requires one reading at a public hearing; (4) a "range" of days was used instead of a set amount, to ensure the

availability of additional reserves if needed. It can be more than the minimum but should not be less; (5) it was noted that, as stated in the Resolution and based on the fund balances for the 2018 expenditures, there is more than a minimum standard amount for some of the Funds; (6) the need to include provisions and the requirements in the Resolution for Risk Management and Utilities were explained. Additional information will be included after an Actuarial Study is completed; (7) following a question, it was stated that Utilities has \$9.7 million in cash on hand and \$34 million in debt; (8) concerning hurricane debris removal, it was explained that would be included in the Building Reserve provision; (9) it was suggested to set a cap for surplus at 20% for the emergency disaster relief provision, retain 10% for the stabilization reserve provision, and set a cap that any additional money above a 5% surplus should be put back to use in the budget cycle.

Discussion regarding Commission direction ensued regarding using days or percentages for the Contingency/Emergency/Disaster Relief Reserve.

***There was a consensus that the Contingency/Emergency/Disaster Relief Reserves are calculated as percentages.***

Discussion continued regarding setting a percentage range.

***There was a consensus to retain the Contingency/Emergency/Disaster Relief Reserve at 20% of the Budget expenditures for the Funds.***

Discussion ensued concerning the Budget Stabilization and Economic Uncertainty Reserve.

***There was a consensus to retain 10% for the Stabilization and Economic Uncertainty Reserve.***

Discussion ensued pertaining to capping up to 5% any additional surplus above and beyond the two Reserve Funds.

***There was a consensus to have a 5% surplus cap within the 10% minimum Budget Stabilization and Economic Uncertainty Reserve Funds.***

### **3. PUBLIC COMMENT:**

Public Comment: 12:27 p.m. - 12:29 p.m.

Robert Duval: improving the City's credit rating and ideas to reduce the City's healthcare costs.

### **4. ADJOURNMENT:**

Mayor Carusone adjourned the North Port City Commission Workshop Meeting at 12:30 p.m.

City of North Port, Florida

By: \_\_\_\_\_  
Vanessa Carusone, Mayor

Attest: \_\_\_\_\_  
Patsy C. Adkins, MMC, City Clerk

Minutes approved at the City Commission Regular Meeting this \_\_\_\_ day of \_\_\_\_\_, 2018.