

**CITY OF TREASURE ISLAND CITY COMMISSION
BUDGET WORKSHOP #5
AUGUST 2, 2006**

The budget workshop was called to order at 3:07 by Mayor Maloof. She introduced Dominique Ryder, who was representing the Treasure Island Chamber of Commerce. The Chamber of Commerce has offered to sponsor the Sun, Sand & Symphony event in conjunction with the City. They will cover all costs, and will share the profits with the civic organizations. They are suggesting that we keep some of the most popular events, and add some others. They would like to add a sand castle event. They are requesting that they be able to come under the City's insurance umbrella, since this is a City event. They are offering to pay \$2,500 towards Police overtime.

Because of the timing, she asked for a commitment at this time to give it 100% to the Chamber. Commissioner Kraus stated that he is not in favor of giving this even over to the Chamber. He wants it given back to the City, and have the City have complete and total control, and split the revenues with the Civic organizations, including the Chamber if they want to be included.

Ms. Ryder commented that there was not the amount of money available in the City's budget to get this event. The Chamber has the funds available, and with 270 members, has the ability to raise a lot of sponsorship money. This year was the first year that the civic organizations didn't have to get the supplies that they needed, such as the food that they served. The Chamber took care of that, and the costs were deducted out of the profits.

Their proposal today is to have 100% responsibility for the event. They will create a master plan, and will not ask the City for any money. They will only ask to be included under the City's liability coverage. They would like to start earlier this year, and have the associations involved in a planning meeting.

Commissioner Collins asked Commissioner Kraus what his primary objection is to the Chamber taking over the event. Commissioner Kraus stated that the civic organizations rely on this funding each year as part of their budgets, and their money this year was reduced significantly. He stands firm on wanting it to be a city controlled event, and has no problem putting money into the budget for it. Commissioner Collins stated that he felt the cost savings to the City was more significant than the difference in revenue to the civic associations. He felt that the Chamber did a great job with this year's event.

Ms. Ryder commented that even if we spent less up front it would not give the associations a larger share of the profits. There is a change in how the associations are being operated. The age groups are different, families are involved. The associations should be looking at other fund raising activities and not rely solely on this one event.

Commissioner Kraus asked Cathy Hayduke, Recreation Director, to verify how the profits were split in the past. All revenues were split equally between the civic associations. Mayor Maloof asked which civic associations have registered complaints about how the funding was handled this year. Ms. Ryder stated that she has heard no complaints. Every group was given the opportunity to review the spreadsheet that tracked the hours worked for accuracy.

Commissioner Kraus reviewed the division of funds. There was a significant decrease in the amount of money that the organizations received. He heard a lot of talk, but doesn't know if anyone registered a specific complaint. The tables were pulled out of the profits to be shared with the Civic associations. Ms. Ryder commented that they would get the organizations involved in the early planning stages, where things like this could be addressed.

Mayor Maloof commented on the background of this event. It was a way to assist the civic associations. Each year there are a tremendous amount of donations made by the civic associations. Not every civic association feels the need to be pulling in these large sums of money, and they may not all be active. The Islettes had concerns that they would not be included. They paid for the community center. The Rotary Club donates half of the profits from their tennis and golf challenge to the recreation department, and the rest is donated to the schools. All organizations can not be looked at equally.

Commissioner Collins asked if any of the organizations have chosen not to participate because of the amount of funds that they received.

Commissioner Bildz asked about the amount of the profits, and how it would be divided if they received more sponsors. Ms. Ryder stated that the division could be discussed in the early stages. Not one person complained about the amount of money received. The complaints received were t-shirt sizes and misspelled names on badges. Commissioner Kraus read the dollar amounts, but did not share the number of hours the associations worked. Commissioner Bildz commented that he had received comments from members of the Sunset Beach association. They felt that there was not enough organization, and would prefer to see the City take the event back over. Commissioner Bildz clarified that the Chamber was interested in Friday and Saturday night, while the City planned on just Saturday night. Ms. Ryder explained that the hotels enforce a three night minimum on the holiday weekends. This would give visitors more entertainment.

The Mayor spoke with Meredith Corson this morning. She is going to be sculpting for the Travel Channel. They are still looking for another venue for their Sand Blasters program. The sculpting could be going on during that weekend, and have the "blow up" on Sunday. That would bring a whole new group of people into town.

Ms. Ryder concluded with the request that they be given another opportunity to improve on last year's event.

Commissioner Kraus still supports this being a City event. He wants the revenues to be put back into the community.

Commissioner Bildz commented that last year we were facing a budget shortfall. The chamber came to the rescue and saved this event. He would like to give them another chance. He supports the chamber.

Commissioner Collins commented that he is looking at the city's bottom line, and since the civic organizations have not complained, he is in favor of allowing the chamber to take the event again.

Mayor Maloof hopes that this can be worked out and have this event be a unity building event. She supports the Chamber taking over the event. She asked the City manager for his comments on this issue.

The City Manager answered that there are many considerations. There is a budget consideration. This is a big burden on the staff, and there are limited staff resources. He sees a continuing need for the community to pull together, and this event can create an opportunity for widespread community volunteerism. The community is evolving, and there is an opportunity to ratchet up the quality of the event. Right now the budget is ahead by \$3,000. If the funds for this event needed to be found we would have to reduce fund balances below policy limits, or reduce services. He has a concern about them being under the city's liability. He does not supervise the chamber, and does not want to take responsibility for their actions. He would like to talk to the city attorney about that issue. There is additional cost for police coverage, but the chamber did provide some funding for that this year. He likes the idea of the Friday event. It doesn't take a lot more time to set up, it gives visitors something to do, and it creates more opportunity for concession sales on both Friday night and all day Saturday. He clarified that we would not be needing money allocated in the FY 07 budget.

The Mayor thanked everyone for their comments, and said that the Commission would support the Chamber. Ms. Ryder thanked the Commission for their support, and said that they would be forming the committees soon in order to get this event started.

The City Manager started the discussion on the items for follow up from the previous workshop. The follow up to workshop number 4 is items 36 – 39. He has attached a report done by the finance director. It reflects what has been done in previous workshops. We are currently in the black by \$3,000. That is a narrow amount of money to allocate.

#36 was the direction received to include the West law.

#37 reflects the policy decision to go ahead and print the calendars and make them available through the public facilities, neighborhood associations, etc. Commissioner Collins commented that if we are giving those calendars away we should put out a sign asking people to please take just one. If they want more than one, we could charge \$1.00

and donate the profits to a charitable organization. The City Manager said there are discussions about limiting them to one per household. The Civic Associations may be able to deliver them.

#38 Ruth has been investigating other sources for insurance coverage.

#39 deleted marine patrol overtime funding

#40 rock around the clock and dinner and a movie are included in the budget.

Commissioner Kraus commented that part of the original thought was depending on what happened on the symphony. Since we are not adding money for the symphony we should leave those items in the budget. These items will remain in the budget.

#41 service worker will be retained

#42 removal of tanks vs filling with slurry. Commissioner Kraus wants to be notified.

#44 How the funds from the sales tax are being allocated in the causeway fund. He needs to correct this. We have not built up a contingency fund. We have budgeted money for this project, and but not additional funds. In FY05 there were expenses that overexpended that budget by almost \$500,000. Additional expenses this year will absorb the additional money in that account this year as well. This will be the last year for expenses. The rest of those funds in the future will be there. There was a question about the Causeway House. It is not in good shape. It is not in rentable shape without some significant improvements. The plumbing in one bathroom is substandard, and the overall condition of the house is not good. He feels that we may need to demo the house to get the full value of the property. If the Commission wants estimates on repairs to get the property in shape to rent it we can still do that. Commissioner Kraus commented that it should be either rented or sold, rather than just sit on it for another year. We would not get the full value at this time because of the construction activity right now. We could set a price and hold firm, and wait until the bridge construction is completed. Commissioner Bildz asked how much rent it could draw in good rental condition. \$1500. In its current condition, perhaps \$700. Was the appraisal done with it in its current condition? Yes. The big percentage of its value is in the land. The market is softer now, so it may be less now. The sale will be on a future workshop agenda. Commissioner Collins feels that it maybe be wise to do as the manager suggests and demo and sell as an empty lot. The manager will set up a time for the commission to visit.

The manager gave an explanation of when funds are expended for the bridge construction. They are spent as it goes along. LOISS funds can not be used for maintenance or plants. It must be used for budget short falls, or construction costs. These funds can be allocated for bridge construction related costs that the federal grant didn't pay for, such as a portion of police protection. That is a cost of construction.

#45 Don Hambidge provided a memo with an example for illustrative purposes. The current contract with EC Driver covers all post design problems. There will not be any additional expense there.

#46 We have deleted the sales tax funding for police helmets and equipment. TIPA will be donating funds for these items. That was \$5,000.

#47 What was the grant source for the boat ramps. It was a federal grant that was for the beach walkovers. We have since received an additional \$125,000 for beach walkovers.

#47 The language was amended on the marina funding. It can be a grant or a short term loan. Commissioner Bildz asked when construction could begin on that. There must be a survey done first. We are hoping to use the same surveyor that we are using for the boat ramps. This should be done in a few months. Next would be a site plan. If the project is approved, he would like to see it under construction before the end of the next fiscal year.

#48 How much has been spent on the bridge - \$30,726,000 Johnson brothers...
That is all grant money.

The Mayor commented that she hopes the community is satisfied with the job that was done with the budget. The millage rate has stayed the same for the 6th year. Every expenditure has been discussed and supported. The mayor thanked the city manager for his work on the budget. The manager thanked the commission for their careful review of the budget.

The meeting was adjourned at 4:25 by Mayor Maloof.