

**CITY OF TREASURE ISLAND, FLORIDA
BOARD OF COMMISSIONERS WORKSHOP MINUTES
July 15, 2008**

The workshop was called to order at 7:00 pm. by Mayor Maloof.

I. DISCUSSION ITEMS:

1. Consideration of Res. 08-68, Setting the Tentative Millage Rate

Mr. Silverboard explained that the tentative millage rate must be set. We have received the report from the Property Appraiser. The procedure is different this year due to the property tax reform legislation that was enacted this year. We have been provided a spreadsheet with the rates that we are allowed to charge under different circumstances. The budget was distributed yesterday. The budget is predicated on a rate equal to the rollback rate plus .0671 mills. For the first time in a long time almost every community in Florida has seen a decrease in their assessed values, which means that their rollback rates have increased. Our rollback rate is 2.7327 mills. We are proposing a rate of 2.7998 mills, which at a 96% collection rate would generate \$4,468,117. This additional would accommodate the cost of the library. In past years we have used a collection rate of 97%. We are more conservative this year because of the local economic conditions, the decline in the housing market, and the number of foreclosures. Ruth originally started out at a collection rate of 95%.

In our case, we have a collection of factors that is putting a real strain on our general fund. These tax revenues go into the general funds. As you know, we used to subsidize these revenues with the tolls. The causeway and those bridges still cost us close to a quarter of a million dollars a year and we no longer have a coordinating revenue source to pay for them. With the decline in property values now it has come to haunt us. In addition, Amendment 1 is affecting our revenues. That impact reduced our taxable value by \$63,000,000. That reduced our revenues by around \$150,000. We have declining property values that have hurt us. Because of the construction industry we have lost revenues through permitting. At one time we were collecting sufficient revenues to cover the cost of the inspection staff and some of the planning staff, but we expect that revenues this year will be declining. We have had inflationary pressure as well as everyone else has had. Many of our operations are very dependent on fuel. We are budgeting fuel costs of \$4.25 per gallon for gas and \$5.00 per gallon for diesel. Those increased petroleum prices increase the cost of steel, cement, and all the things that are manufactured that we use in terms of maintaining the city's infrastructure. Electricity is a factor. We have had to budget an increase of between 15 and 20% next year. The economy has been so moribund that everyone is cutting back, including the state. The types of revenues that are shared with the local communities are down, so we can expect less of those types of revenues. It is not without forethought that we recommend this millage rate. It is necessary to help stabilize our general fund and to provide those essential services that we provide to our community.

Commissioner Bildz stated that our workshops are starting next Tuesday afternoon. We will have a full discussion then.

Mr. Silverboard stated that when we set the tentative millage rate, that doesn't mean that it is what the Commission will end up adopting. Typically they will set the tentative millage rate higher than what they end up adopting. They get the input from the community then they can adjust the rate as needed. The reason the rate is set higher rather than lower is because once we notify the Tax Assessor of the tentative millage rate we cannot increase it without notifying every individual property owner by letter. It is expensive and time consuming. That is why the tentative millage rate is typically set higher than what is ultimately adopted. In this case it is the amount that the budget is predicated on.

Commissioner Gayton stated that it is an increase of 17.25% over our current millage rate. Everyone needs to be aware of what is being asked for. Even if we go back to the rollback rate it is still a 14.4% increase. This will add an additional \$550,000 increase over last year. Mr. Silverboard explained that the reason for that was that it added in the new construction. Commissioner Gayton stated that we have somewhere between what the present millage rate is, go back to the rollback rate, or adopt the recommendation of the City Manager. We just received the budget yesterday, so it is hard to have a discussion. Until we start the discussions next week he couldn't even take a guess.

Commissioner Collins suggested that they approve the tentative rate recommended. Commissioner Minning stated that he appreciated the breakdown that Mr. Silverboard presented. He wants to see figures on library usage. Mr. Silverboard stated that he has e-mailed the request again today. Commissioner Collins asked what the .0671 equated to for a typical piece of property in Treasure Island. Mr. Silverboard stated that it generates around \$100,000, which is probably around \$20 per property. Commissioner Gayton wanted to make it clear that they are setting no tentative millage rate tonight. Commissioner Minning asked if another word should be incorporated into the title of the proposed resolution.

Commissioner Bildz asked if this would come up in two weeks, or if they would have a special meeting after one of the budget workshops. Mr. Silverboard explained that they may be able to do it after one of the workshops. They can not wait until the August 5th meeting. They may have to call a special meeting. Commissioner Bildz suggested that they set a special meeting for Thursday at 4:00. They should be finished with the general fund by then. Commissioner Gayton stated that we had several other proposed tax increases, so we may not be able to make the decision by then. Ms. Chapman stated that they have to notify the Property Appraiser by July 31st. Mr. Silverboard stated that they may have to have a special meeting the following week. Commissioner Gayton asked if they would have an estimated fund balance. It is in their budget. You have to ask specific questions of the auditors. Sometimes fund balances include amounts that are not cash.

II. OLD BUSINESS:

None

III. CITY MANAGER/CITY ATTORNEY REPORTS AND COMMENTS:

Mr. Silverboard reported that Tony Amico came in yesterday. He asked him about a proposal that has been floating around about the boat traffic around his facility. He seemed very

agreeable to the proposal. This is back on the agenda for the first meeting in August. Hopefully we will have suggestions that will solve the problem.

IV. REPORTS & COMMENTS BY COMMISSIONERS:

Commissioner Minning gave a reminder of the next Elnor Island cleanup to be held on July 26th at 8:30. Meet at Gator's docks.

Commissioner Minning gave an update of a discussion held at the Tampa Bay Regional Planning Commission. The red light bill allowing cameras did not make it through the session this year. It was viewed as a revenue-generating scheme rather than a public safety issue.

Commissioner Minning reported that the sand sharing permit for the beach is moving forward. It is proposed to jog around the City of St. Pete property, and the state has indicated their willingness to do so.

Commissioner Minning suggested that the Commission revisit the bike trail. He would like to see it back on the agenda for the Commission's review. He also suggested that they discuss "Visioning" again, as it has been 10 years since the last time.

V. PUBLIC COMMENTS:

VI. ADJOURNMENT:

The workshop was adjourned at 7:30 p.m. by Mayor Maloof.