



City of Gulfport Florida
City Council Workshop
Monday, August 16, 2010

City Hall – 2401 53rd Street South

5:00 p.m.

Agenda

Call to Order.

1. Discussion of 2010/2011 Operating Budget.
2. Adjournment.

Any person who decides to appeal any decision of the City Council with respect to any matter considered at this meeting will need a record of the proceedings and for such purposes may need to ensure that a verbatim record of the proceedings is made, which record includes the testimony and evidence upon which the appeal is to be based. The law does not require the City Clerk to transcribe verbatim minutes; therefore, the applicant must make the necessary arrangements with a private reporter or private reporting firm and bear the resulting expense. Any person with a disability requiring reasonable accommodation in order to participate in this meeting should call (727) 893-1000 or fax a written request to (727) 893-1008. Posted: August 13, 2010



CITY OF GULFPORT, FLORIDA
Office of the City Manager

Memorandum

August 16, 2010

TO: Mayor and City Council

FROM: James E. O'Reilly, City Manager

RE: 2nd Budget Workshop – Adjustments to City Manager's
Proposed FY 2010/2011 Budget.

As previously stated, the development of the City of Gulfport's FY 2010/2011 Budget continues to be an evolving process, with the City Manager and City Departments constantly reviewing revenue and expenditures for presentation to and consideration by City Council.

On July 15th, 2010, City Council held the initial FY 2010/2011 Budget Workshop.

The City Manager presented the proposed budget based upon the initial direction provided by the City Council to provide a budget within the following parameters:

- *That the City's Ad Valorem property taxes remain at 3.4742 mills per \$1,000 of assessed valuation.*
- *No measurable reduction of direct services to the City of Gulfport's citizens.*

The proposed budget also considered those subsidies, programs, activities and policies that are culturally and institutionally in place and are annually expected to be incorporated into the budget for funding.

Subsequently discussion and further information was requested to the changing roles of senior staff and the potential revenue reduction exposure in the future, if City Council by ordinance elected to increase the City's homestead exemption for low-income residents over the age of 65.

In a continuing effort to work towards providing a balanced budget and to offset continued overall revenue reductions staff continues to provide more accurate budget adjustments as the process continues.

PROPOSED FY 2010/2011 - AUGUST 16, 2010 BUDGET ADJUSTMENTS OR SIGNIFICANT ACTIVITIES/IMPACTS FROM JULY 15, 2010:

PROPOSED FY 2010/2011 - AUGUST 16, 2010 BUDGET ADJUSTMENTS

<u>Increased Revenues</u>	<u>Fund</u>	<u>Additional Revenue</u>
• Certified Ad Valorem Property Tax Values	General	\$18,905.00
• Boca Ciega HS- SRO contract reimbursement	General	\$23,428.57
• Pinellas Public Library Coop	General	\$5,549.00

Total projected increased in revenue for the FY 2010/11 budget year is \$47,882.57 higher than the proposed budget delivered to Council in July 2010. This additional revenue can be directly utilized to reduce the FY 2010/11 reliance upon General Employee Pension Reserve Funds that are included in the proposed budget. The proposed budget called for the use of \$200,000 in reserves to help mitigate the increase in required contributions to the General Employee Pension Plan. An adjusted amount of \$152,117.43 in reserves would be necessary for FY 2010/11 after the inclusion of the above \$47,882.57 in increased projected revenues.

<u>Decreased Revenues</u>	<u>Fund</u>	<u>Reduced Revenue</u>
• Waterfront Redevelopment District – TIF Fund Certified Ad Valorem Property Tax Values	WRD	(\$12,420.00)

A higher than expected decrease in assessed property valuations within the Waterfront Redevelopment District resulted in a \$12,420.00 decrease to the projected revenues included in the City manager's proposed budget. Fund balance in the amount of \$12,420.00 will need to be utilized to balance total appropriations within the District budget to the adjusted revenue projections resulting from the increased loss in property values.

Stabilization of City's Employee Health Insurance Costs

FY 2010/11 Health Insurance Financial Highlights

- Total City funded portion or cost of health insurance package reduced from \$664,219 down to \$645,315, a budget reduction of \$18,904.

- The packaged cost of annual insurance provided at no cost to the employee or 100% paid for by the City increased \$480.00 per year per employee.
- Amount of City funds budgeted towards employee dependent subsidy capped at \$2,000.00 per employee for year versus previous year's subsidy of 50% of cost.

The total projected cost for health insurance premiums is expected to increase in FY 2011 by \$20,851 or by 2.5%, all of which will be absorbed by City employees with dependant and family plan coverage. The City currently pays all of the employee's premium and 50% of their dependent coverage. For FY 2011 a maximum of \$2,000.00 in City funds will be appropriated per employee to cover the costs associated with the addition of dependent health insurance coverage.

Total FY 2011 health insurance premiums with current enrollment selections will cost \$859,339.80. This premium represents the total amount paid to the health insurance company including the portion reimbursed by employees for dependent coverage. The employee paid dependent coverage portion for FY 2011 is \$209,488.32. The projected City funded portion of the health insurance costs for FY 2011 will decrease by \$18,904 when compared to current FY 2010. The savings or decrease in overall estimated cost to the City is attributable to the change in employee coverage selections from the previous enrollment year.

ADDITIONAL INFORMATION REQUESTED BY CITY COUNCIL

Low Income Senior Homestead Exemption

The inquiry for information is predicated on numerous variables; staff has provided data displaying the City's exposure – we are unaware of the individual applicants' specific financial situation.

Example

\$ 25,000	Amount of additional exemption
2,211	Number of Homesteaded properties within the City of Gulfport
28%	Percentage of residents 65 years or older (2000 Census)
3.4742	Current millage rate

With the above factors, the financial exposure to the City of Gulfport in terms of lost property tax revenue through the granting of an additional senior exemption in the amount of \$25,000 would be the following:

\$ 86.86	Amount of individual property exemption on full \$25,000 @ 3.4742 mils
619	Estimated maximum number of eligible properties at 28% of inventory assuming all meet income requirements
\$ 53,763.25	Maximum financial loss exposure of property tax revenue assuming all 619 properties are owned by seniors who qualify.

Senior Staff service roles:

Partial list of functions performed at the Director level in Administrative Services, each involves the direct supervision of staff and customer interaction and service:

- Help to cover phone calls incoming during business hours
- Respond directly to utility billing customers with adjustment requests both in person and on the phone and e-mail
- Assist with physical delivery of weekly utility bills to post office
- Review monthly reconciliation of PSTA trolley pass sales with representative of PSTA
- Review and approve purchase order requests from all departments
- Back-up and assist supervisor with bi-weekly review and approval of all other department pay requests
- Approve all monthly journal entries
- Prepare and type memos and correspondence relating to city business to outside vendors, customers and other government agencies

Partial list of functions now being performed at the Director level of Public works;

- Provide direct supervision to the staff of the Sanitation, Streets and Stormwater Divisions.
- Added additional site visits to respond to citizen's complaints of problem or maintenance concerns.
- Additional meetings organizing employee's duties.
- More involved in each division's purchasing.

Primary impacts in the Community Development Department;

There is no specific list of tasks that are routinely being performed by the administrator. Tasks are undertaken by the department head on an as-needed basis and have included things such as performing tree and other field inspections, manning the front counter, answering the phones and consulting with walk-ins. The department head has taken on many clerical tasks. These tasks include examples such as ordering supplies, filing, renewal of office equipment leases, records maintenance, making copies, stuffing envelopes, and research projects like comparing fee schedules.

When annual projects require more time from the administrative assistant, all personnel are affected and must take up the slack as needed. One such example is business tax receipt renewals. During this period more of the administrative assistant's time is needed to send out and process renewals. This in turn requires other personnel to shift their day-to-day assignments to help perform tasks that would normally be performed by the administrative assistant. This includes manning the front counter and phone lines.