

**MINUTES — JULY 21, 2020**  
**CITY OF INDIAN ROCKS BEACH**  
**CITY COMMISSION BUDGET WORK SESSION**

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The Indian Rocks Beach City Commission Budget Work Session was held on **TUESDAY, JULY 21, 2020**, in the City Commission Chambers, 1507 Bay Palm Boulevard, Indian Rocks Beach, Florida.

Mayor-Commissioner Kennedy called the meeting to order at 4:00 p.m.

**PRESENT:** Mayor-Commissioner Joanne Moston Kennedy, Vice Mayor-Commissioner Phillip J. Hanna, Commissioner Diane Flagg, Commissioner Edward G. Hoofnagle, and Commissioner Joe McCall.

**OTHERS PRESENT:** City Manager Brently Gregg Mims, City Attorney Randy Mora, and Finance Director Daniel A. Carpenter, CGFO.

Mayor-Commissioner Kennedy announced that tomorrow is the City Manager's 7<sup>th</sup> year with the City of Indian Rocks Beach.

**1. REVIEW OF FY2021-25 Capital Improvement Plan and the FY2020-21 Proposed Budgets.**

City Manager Mims reviewed the budget process with the City Commission.

City Manager Mims stated the Finance and Budget Review Committee recommended that the proposed budget be approved as submitted.

City Manager Mims reviewed the following highlights of the budget.

**GENERAL FUND BUDGET**

- The total general fund expenses are down from \$3.861 Million to \$3.711 Million.
- Assessed property values are up 6.22%, which generates approximately \$137,000.
- The proposed budget provides for maintaining the mill levy at 1.8326%, which ensures the City is amongst one of the lowest mill rates in Pinellas County, and one of the lowest in the State of Florida. Due to COVID-19, the estimated revenue generated from ½ cent sales tax and state revenue sharing has been reduced by 20%, which is a reduction of revenue of approximately \$70,000. All of this is accomplished without the benefit of a stormwater fee or imposing a utility tax.
- The City's unassigned reserves balance is approximately \$3.4 million or 90% of general fund expenditures.
- Continued reduction of 25% of the cost allocation from the Solid Waste Budget to the General Fund Budget.

- Eliminated two full-time positions in the Permitting and Inspections Budget while maintaining a minimum budget in the Permitting and Inspections Budget to close out City-issued permits.
- Additional 40% expense of executive secretary expense from Permitting and Inspections into the City Manager's Budget due to the phasing out of the Permitting and Inspections Budget.
- Added one part-time Code Enforcement Officer.
- Additional funding in the City Attorney Budget for the establishment of a special magistrate for the City.
- Maintained health insurance and other insurances for all employees.
- No proposal for pay raises for City employees, including the City Clerk and the City Manager, but would like to revisit employee raises in January.
- A 2.58% increase in the Pinellas County Sheriff's Law Enforcement Service Contract down from 3.10% from last year's budget.

Mayor-Commissioner Kennedy stated it is a good idea that the City Manager would like to revisit employee raises in January.

City Manager Mims stated the deputies have been helpful in writing parking tickets; however, other crimes take priority. He stated Mike Kelley is the City's full-time Code Enforcement Officer and is the main person who writes the parking tickets. Mr. Kelley has been a good hire from Public Services over to Code Enforcement and usually works every weekend.

City Manager Mims stated the intent of a part-time code enforcement officer is to work the weekends and holidays.

#### **SOLID WASTE BUDGET:**

- Continue reduction of 25% of the cost allocation from the Solid Waste Budget to the General Fund Budget.
- No rate increases.
- A 5.7% increase in Pinellas County Tipping Fee.
- CPI Increase for Recycling Contract.

City Manager Mims stated for two to three months during COVID, nothing was being recycled. It was being burned at the landfill.

City Manager Mims stated the City Commission would need to start to look at rates over the next three or four years because the City will need to purchase garbage trucks in FY2022 and FY2024.

#### **FY 2021-2025 CAPITAL IMPROVEMENT PLAN:**

- \$500,000: Annual funding for road reconstruction (road milling, resurfacing, curbing, and drainage) — LaHacienda Drive.
- \$175,000: Annual funding for park maintenance and updates, including new energy-efficient LED lighting for Campalong Field. The City will be reapplying for a grant through Senator Brands' Office and Representative DiCeglie's Office.
- \$50,000: For dune walkover reconstruction.
- \$600,000: For continued drainage enhancement project.

City Manager Mims stated while discussing drainage, he noted the City would need to re-engineer the drainage near the Fire Station in the Business District Triangle and plan for the costs in the future.

City Manager Mims stated the City would aggressively seek out all funding available for the Business District Triangle Drainage Project.

City Manager Mims stated there is no way to fix drainage on a barrier island community.

## **GENERAL FUND CAPITAL PROJECTS**

### **FY 2020 BUDGET**

- \$27,000 Pick-Up Truck

### **FY 2023 Budget**

- \$53,000 Dump Truck

## **SOLID WASTE CAPITAL PROJECTS**

### **FY 2022 BUDGET**

- \$275,000 Packer Truck

### **FY2024 BUDGET**

- \$275,000 Packer Truck

City Manager Mims stated the proposed budget is less than what it was last year, and the City is still accomplishing everything that it did in the previous few years, and the staff is looking out for the future. All of this is being accomplished without the benefit of a stormwater fee or imposing a utility tax. There are only six cities left that do not have a stormwater fee, and only three cities left that do not have a utility tax.

City Manager Mims stated that he is not proposing or asking for a stormwater fee or a utility tax. Residents should not take for granted the things that the City can do with general fund money and have the quality of life that the residents have.

City Manager Mims thanked Finance Director Carpenter for staying on top of the City of Indian Rocks Beach's finances and assisting in the budget preparation.

Commissioner Hoofnagle thanked the staff for a well-done job in preparing the budget. He stated the City has the staff that provides the City Commission with meaningful financial analysis and reports that are easy to understand and clear about where the money is being spent and where it is not spent.

Commissioner Hoofnagle stated the City Manager's conservatism and pragmatism in his business philosophy comes through in the budget. It is reassuring to the City Commission, and it is reassuring to the citizens as well.

### **GULF BOULEVARD BEAUTIFICATION PROJECT (PENNY IV MONEY)**

City Manager Mims stated Penny IV Money went toward undergrounding of utilities on Gulf Boulevard from the south entrance of the City north to 5th Avenue, which should be completed by the end of the budget year.

City Manager Mims stated Pinellas County has allocated \$35 Million in Penny for Pinellas money (Penny V) for undergrounding of utilities on Gulf Boulevard. The City has been allocated approximately \$5.6 Million over a five-year period. Staff has estimated the \$5.6 Million could underground the utilities on Gulf Boulevard from 5th Avenue to the Nature Preserve (9th Avenue).

### **SHORT-TERM RENTALS:**

Commissioner Hoofnagle asked if there is any kind of short-term rental fee that could be a revenue raiser in a hypothetical situation. He is not proposing anything; he is just asking that question.

City Attorney Mora stated asking from a fee standpoint, typically the way that has been manifested in cities is one of two: one is the business tax receipt, which is a nominal charge in most communities, and the other is where cities administer their own vacation rental certification programs, and as part of those programs require an application fee to cover the administrative costs of operating that program.

City Attorney Mora stated he is not aware of the legality of it one way or another and would have to analyze it in its depth.

City Manager Mims stated there had been some litigation on it where Florida cities have implemented fee schedules for annual renewals, which has been challenged.

Vice Mayor-Commissioner Hanna asked if the City could control the number of occupants in a short-term rental, with City Manager Mims responding the only entity that could have an impact on that is the Fire Department.

City Attorney Mora stated what Vice Mayor-Commissioner Hanna is getting into: the intensity of the use and the effect that can have on the resources that a city has. There is nothing that explicitly barring the City from regulating occupancy. The challenge is (1) is the city giving rise to other claims about the diminution in value of the property and (2) more importantly, the enforcement mechanism and what is that tied to when a number is picked.

City Manager Mims stated the City does not get a lot of complaints about short-term rentals, but the ones that the City does receive complaints that deal with garbage, recycling. He stated per the City Code, the City can charge them as a commercial entity and provide them with more garbage cans.

Commissioner Hoofnagle stated for revenue, the City has a local option gas tax and a local option sales tax and asked why the State does not have a local option bed tax for short-term rentals and use it as revenue path for cities.

Commissioner Hoofnagle stated as the City looks for revenue enhancers, and if it came to a discussion around a utility tax or stormwater tax, he would hope that the City Commission would push on the bed tax and the local short-term rental ideas for revenue-raising rather than a utility tax. He feels like that is a whole segment of the City, which has forever changed and damaged in his opinion.

## **2. PUBLIC COMMENTS.**

None.

## **3. ADJOURNMENT.**

***THE MEETING WAS ADJOURNED AT 5:08 P.M.***

August 11, 2020

Date Approved

/DOR