

**CITY OF TEMPLE TERRACE, FLORIDA
MAYOR AND CITY COUNCIL
REPORT OF WORK SESSION**

**Thursday, March 26, 2009
MOSI Board Room
8:30 a.m.**

Having been duly advertised as required by law, the Mayor and City Council of the City of Temple Terrace, Florida, met in a work session, beginning at 8:30 a.m. on Thursday, March 26, 2009, in the board room at the Museum of Science and Industry (MOSI), 4801 E. Fowler Avenue, to establish goals for Fiscal Year 2009-2010.

PRESENT WERE: Mayor Joe Affronti, Council Members Alison M. Fernandez, Ron Govin, Ken Holloway, Mark Knapp, and Mary Jane Neale, City Manager Kim Leinbach, and City Clerk Lisa Burns.

ALSO PRESENT WAS: Facilitator Herb Marlowe.

Mr. Marlowe explained the format for the session and called for the City Manager to review the status of the goals from last year.

The City Manager briefly reviewed with Council the status report of the 2008-09 goals, dated March 20, 2009, which was included in information provided with the March 20th Council Update from the City Manager, and is included as part of the record.

Regarding the goal to continue to pursue development of a Wastewater Treatment Plant, the City Manager remarked that he does not believe they are ready to establish a task force of three (3) experts; however, the City of Tampa has agreed to incorporate the concept of a joint program with Temple Terrace in a formal study with its engineering consultant.

Relative to recent discussions of the extreme amount of effluent being dumped into Tampa Bay, Council Member Knapp questioned whether it would be feasible, considering cost, difficulty, and environmental issues, to pipe the effluent back up to the Upper River, and allow it to flow back through Temple Terrace, be treated again, and then re-used.

The City Manager responded that he believes if it was located where it would be part of Tampa's potable water system, it would not be allowed. He added that if it is below where they intake the water for drinking water perhaps; otherwise he didn't believe it would be allowed. Council Member Fernandez commented that the biggest problem in re-using the water is the amount of medications that show up; they are unable to get them out of the treated water.

Mayor Affronti remarked that California is re-using the treated water. Council Member Knapp explained that they are pumping it down into the aquifer. The City Manager added that Tampa is looking at that alternative. Council Member Knapp suggested it could be a simple fix – raise the level of the River in Temple Terrace and increase the water supply for Tampa; he suggested that perhaps another step in the treatment would make it feasible. Council Member Fernandez suggested it be taken up to the Green Swamp, and let it do what it normally does.

Mayor Affronti mentioned that the City of Tampa is hoping to get an irrigation line to New Tampa, and he is hopeful that the City of Temple Terrace could tap into that line for the reclaimed water. The City Manager noted that once reclaimed water is available, he will recommend to Council that they work with the Country Club and its decrepit irrigation system, because the City could obtain a 50% funding match from the Southwest Florida Water Management District (SWFWMD).

Council Member Govin asked whether there are any cost estimates available for the proposed Wastewater Treatment Plant. The City Manager believed it to be about \$30 million.

Mayor Affronti questioned whether SWFWMD was prepared to assist the City with funding for the piping to get the water to the City. The City Manager responded affirmatively, adding that they would also help with the distribution.

Relative to the project manager for the redevelopment, the City Manager said that with the current economic situation and time constraints not being an issue, he has talked with the Community Development Director about being able to do that or they could hire someone, if necessary.

The City Manager commented that the alligator program was accomplished, with no harvesting to date. He briefly explained the program to Council Member Neale.

Regarding the staff review of positions for competitive salary and internal comparison, the City Manager commented that arose when the City Clerk's evaluation was discussed, which is coming up again shortly. He said there was concern about the City Clerk's salary in comparison to Department Directors; Council was going to look at that to ensure parity.

The City Manager commented the gateway is planned as part of the 56th Street road improvements, the policy concerning the City not commenting on matters external to its jurisdiction where there is a difference of opinion in the community has been implemented, and quarterly reports on the status of goals has been done. He noted they did not have a 6-month point, open discussion of the goals.

Relative to the *Goals Needing Further Discussion*, the City Manager commented that discussions are ongoing relative to City facilities in the redevelopment area, including the Arts & Education facility. He noted he advocated their thinking of making it a Library to energize the shopping area, and utilizing the current Library as a Police Station, since that is another long-term goal.

The City Manager briefly mentioned that the Verizon building (approximately 60,000 square feet) has come available with an asking price of \$4.9 million, and while not directly within the redevelopment area, it would be large enough to accommodate City Hall, the Police Station, and Fire Administration. He suggested it was something that should be in their thought processes, even though funding isn't known at this point. Current square footages and possible funding alternatives were discussed, along with pros and cons of the property and expansion needs, which were believed to be able to be accommodated at the Verizon property. The City Manager stated that he would like to continue to pursue the possibility.

Council Member Fernandez questioned who would pay for the Library if the City would choose to pursue the Verizon property, to which the City Manager responded it would be up to the developer if he wanted to do anything; the City would be out of it. While Council Member Fernandez commented that she likes the idea of consolidation, she believed the Library users and parents would prefer to be in a location surrounded by restaurants, shops, and other activities.

Council Member Govin suggested the City Manager put together the estimated costs to compare the cost of a new Library with what it would cost to move to the Verizon building, along with the property that could be sold. Mayor Affronti remarked that they should not lose sight of the advantages of the Library being in the Town Center; however, he was uncertain as to whether those costs would offset the consolidation alternative. Council Member Fernandez commented on the amount of use the Library has, suggesting the consolidation wouldn't be a bad alternative, if there was a way to expand the Library for additional computer space. A discussion concerning computer usage at the Library followed.

Mr. Marlowe called on the Mayor and Council to introduce the topics they would like to discuss, after which they briefly discussed the issues in greater detail. The list included the following:

- **Police and Fire pension funding concerns.**

After the City Manager explained the current situation, it was recommended that a work session be scheduled with the actuary on April 21st, with a request that the actuary provide some projections and scenarios for review. It was suggested that perhaps changes in policy can be made for new hires; a review of State Statutes may be needed to determine what the City is legally able to do. A contribution from the City of about \$395,000 will be required this year to meet the City's obligation to the Police and Fire pension funds. Three factors that impact this fund are the COLA benefit, their age ("20 years and out" provision), and that it is hazardous duty. Expressing concern that the financial situation may not improve for several years, a suggested goal was to develop a strategy to manage the pension funds over the next five years.

- **Incomplete goals from the previous year should be added to this year's list for consideration.**
- **Timelines for the goals they select.**

Mayor Affronti commented on the difficulty of setting timelines when other parties are often involved and the timing is beyond the City's control.

- **Hillsborough River.**

Council Member Knapp explained in more detail his concept to reuse the wastewater currently being pumped into the Bay, questioning whether an extra level of filtration might make that work. In response to Mr. Marlowe's question as to whether this is a River Watch Task Force issue, Council Member Knapp responded that the Task Force has focused on the level of the River and the concern that it was a natural flowing River, but is not any longer, due to the City of Tampa pumping so much wastewater into the Bay. He suggested his concept is something that they may wish to investigate further.

Mayor Affronti concurred and relayed his conversation with County Commissioner Al Higginbotham; Environmental Protection Commission (EPC) will need to relax the rules on what they will allow and get realistic in attacking this water problem. Council Member Govin suggested the City Manager pose the question to the City's environmental attorney and report back. Council Member Fernandez said this is already being discussed, adding that if the wastewater was pumped all the way back to the Green Swamp, it would have more time to naturally filter out. Mr. Marlowe suggested the first step would be to consult with their environmental attorney and then develop a plan based on his legal advice.

- **Partnering more with the University of South Florida (USF) and marketing the City to the community.**

Council Member Fernandez commented that the Council has expressed an interest in partnering more with USF, which could also relate to financial issues. She briefly described Sarasota County's intern program, suggesting that the City could utilize USF interns, who work for free, in every capacity possible, as a way to help the City's budget and cement the partnership with USF. Mr. Marlowe suggested the goal would be to explore an intern program with USF. Council Member Fernandez asked the City Manager to obtain further information about Sarasota County's intern program, which she believes is with USF.

The City Manager responded that he believes there is a cost associated with the interns; he will research that. He noted that in the Comprehensive Plan they are trying to establish an association with USF and Vandenberg Airport, since the City is right in the middle, between the two.

Mayor Affronti commented that the Planning Commission is going to give a critique on Vandenberg Airport's impact on USF; when he receives that information, he will be setting up a meeting with Judy Genshaft to discuss it and garner support for the City's possible annexation of the airport property. Mr. Marlowe interjected that exploring Vandenberg Airport ties would be another possible goal.

Separate from internships, Council Member Fernandez said she was also thinking of USF partnering in the Temple Terrace Schools by mentoring students, which would create partnerships to make this "their" community - more than just serving as interns here.

Mayor Affronti commented that he would like to see more events, such as the jazz concerts, presented by USF students. He noted that future events need to be publicized more to increase participation and support. Mr. Marlowe suggested a goal of exploring more student participation in City events, such as mentors and participants in jazz concerts and similar events.

Relative to City publicity, Council Member Fernandez commented that favorable publicity could be generated by incorporating "green" design, which would involve partnering with the developer in the redevelopment area, if cost effective, and also with the appropriate USF department. The City Manager noted the park structure that was designed and constructed by the USF students.

Council Member Knapp questioned the use of "green" construction, which he briefly described, noting the focus is primarily energy efficiency, which typically adds 15% to the cost of construction.

Council Member Fernandez suggested that the concept of "green" be considered whenever the City is doing a project as a way to gain favorable publicity.

Mayor Affronti questioned whether USF students have ever been considered for assistance with any civil engineering work or financial work. He explained that it may be a solution to help with the City's budget problems. The City Manager responded only in public affairs.

- **Continued School Support and Engagement.**

Mayor Affronti shared several examples of positive results from close interaction with the schools. Council Member Fernandez added this is one area where the goal will never be "completed." She reviewed that the School District allowed them to sit in on a Principal interview for the first time this year. Mayor Affronti commented on the continuing meetings with the School Principals, which occur every six to eight weeks, joint Principal meetings, and school visits by Realtors.

Council Member Halloway complimented Mayor Affronti's work with the schools. He expressed his strong concern over the School Board's elimination of English Literature, replacing it with contemporary literature, and his overall concern with the education program in general. It was pointed out that advanced programs are available; however, some have waiting lists. Further discussion on this topic followed.

- **Wastewater Treatment Plant.**

Council Member Govin stated the City should continue to pursue all alternatives available to develop the facility. Council Member Fernandez suggested that would include partnerships. Suggestions included possible working with the County, instead of the City of Tampa, and that perhaps Federal money might be available.

- **Transportation Partnerships.**

Council Member Fernandez commented that every available resource should be used, and that they should be aggressive about partnering with the surrounding areas. She questioned whether the City has a representative on TBARTA (Tampa Bay Area Regional Transportation Authority). Council Member Govin said he believes the City could get a representative on there. Mayor Affronti commented that as Chair of the MPO (Metropolitan Planning Agency) Board, he is an alternate on TBARTA.

Council Member Govin added that the City also has input through his position on the HART Board. He briefly reviewed the proposed BART (Bay Area Rapid Transit) lines, noting that as it stands now, light rail won't come to Temple Terrace because the numbers aren't there. He said TBARTA will announce next week where they believe the greatest potential will be; the City's best bet will be a bus connection.

Mayor Affronti relayed information from his meeting with Ralph Bosek of MOSI. Mayor Affronti believes the light rail is being designed to go from 30th Street out to New Tampa. He said the key will be a connector from 30th Street to Temple Terrace. Council Member Halloway mentioned funding is a concern. Council Member Govin reported briefly on HART's current status; ridership is in double digits now, with the Temple Terrace Route 6 being the second busiest in the County.

- **Redevelopment.**

The City Manager updated the Mayor and Council on the progress of the development agreement with The Vlass Group, stating they hope to have a completed draft agreement within two months for Council review; agreement has been reached in principle. Relative to concern if Vlass completes only part of Phase I, he said Vlass has agreed that the City would be in the "first" position if things "go south" during any phase. Council Member Halloway questioned when the developer would be ready to break ground, to which Council Member Govin believed that would be another nine to 12 months after the development agreement is signed. Other issues with the redevelopment project were discussed. The City Manager commented that one specific point was that The Vlass Group agreed to a completion of the project in 10 years, which was down from 12.

Mayor Affronti expressed concern over the legal costs. The City Manager responded that he is working on reducing legal fees, noting that the administration is being very judicious about what they are asking to be reviewed.

A short break occurred at this point in the meeting. It was approximately 10:20 a.m.

- **Fiscal Issues.**

The City Manager reviewed that going back to Fiscal Year 2007-08, the City's property tax been reduced by \$2.1 million, State shared revenues have decreased by \$826,000, and Cigarette Tax has decreased by

\$71,000. Combined with other decreasing taxes, the City Manager reported the City is down \$3.6 million over the past three fiscal years. He said this reflects reduced property taxes due to Amendment One and reduced property values.

The City Manager noted that the City has attempted to make up for these losses by freezing positions, and has worked diligently to cut expenses wherever possible; the current deficiency is at \$1.5 million, and with the pension obligation, the City is at a \$1.9 million deficit. He explained the frozen positions equal about one-half million dollars, adding this has been done by attrition. He stated the levels of service have been reduced, except for police and fire. He cited one example is the median upkeep, which has worked out okay because of the lack of rain; when the rains do come, the City will be unable to keep up. In order to make up the deficit, he said the administration is looking at furloughs – to make up \$1 million, every employee would have to take 15 days off with no pay, or as an alternative, go to 37-1/2 hour work-weeks. He stated he believes it is only fair to all employees, if this occurs, to re-open the union contracts.

The City Manager said another option is that the City has maintained a healthy reserve of \$5 million and has the red light income of about one-half million dollars, which could take care of the Police and Fire Pension contribution. He expressed the need for a budget workshop the end of April to discuss these specific issues. Mayor Affronti asked whether this includes employee increases in the coming year, to which the City Manager responded negatively, stating that the opposite would likely be true, if hours are reduced; in addition, preliminary estimates for health insurance indicate cost increases could reach 20% or more, which will be passed on to the employees. He said the City is in a “survival” mode.

A discussion of property tax followed, with the City Manager reporting a projected drop of about 15% in property tax receipts, which is less than some cities. Council Member Knapp questioned how much the City could raise its millage rate.

The City Manager responded the City can go as high as ten mills. He stressed that if the Legislature does any more “damage” to local government revenues, the City will be forced to cut services. He said the millage would have to be increased by .81 to 5.37 mills to generate the lost revenue; he added that .36 mills only generates about a half million dollars. Council Member Fernandez interjected that one mill only keeps the City from cutting further. The City Manager said the City has been cost conscious for years, cutting as much as possible over the last several years; one mill only keeps things floating.

Mr. Marlowe concluded that the assumption is next year will be worse. Council Member Govin noted the newspaper today suggested housing was beginning to turn around. A brief discussion on the current housing market followed. Expressing concern that a .81 jump to 5.37 mills would be way too much of an increase, Council Member Govin questioned what a .4 mill increase would do, noting every little bit would help. The City Manager reviewed the current proposals before the Legislature, including TABOR and the 13.5 mill cap, and stated that all of the things that make Temple Terrace unique will be cut, such as the recreational opportunities, the Library, parks, etc., down to the vital services – police, fire, water, and garbage; he doesn’t know how else to do it.

Under the Police and Fire contracts, Mayor Affronti questioned whether they would still receive increases this year, to which the City Manager responded they would unless the administration renegotiates their contract. In response to the percentage of increase for Police and Fire, the City Manager believed it was 3.5% for Police, plus longevity, which could result in 5% or 6%, adding that the Fire contract is coming up. He noted the increases would also affect the Pension funds. He stated that if anything was done for the general government employees, he recommends that everyone be treated the same way.

Council Member Knapp presented a scenario that if he lived in a \$200,000 home and his taxes were \$8,000 for the services he receives and for the neighborhood in which he lives, and the next year they re-evaluated his home and said it was only worth \$100,000, but he still lives in the same neighborhood, with the same services, he does not believe it would be unfair to pay the same \$8,000 for taxes. He continued that his point is that just because property valuations have drastically dropped, it doesn't mean that the cost of providing the services has come down with it. He noted that the City has decreased the millage since he has been on the Council, because property values increased so quickly that there were surplus funds, and the Council didn't feel it was right for them to put the surplus funds into larger-than-necessary reserve funds, nor did the City have excessive debts to pay off; they gave it back to the citizens by reducing the millage rate by half a mill.

The City Manager suggested the answer may be a combination of utilizing reserves and a millage increase. He tempered his response by stating that in his 38 years in City government he has never advocated the use of Reserves for ongoing expenses, but it may need to be considered to survive until this economy turns around.

Council Member Holloway commented that what Council Member Knapp stated is logical, fair, and equitable; however, they would see a populous objection to raising taxes in a poor economy.

Mayor Affronti opined that if they show the citizens that the City is being extremely frugal, with no increases, the citizens will see the City is doing everything possible and will understand if the Council has to raise taxes. If everything is kept the same and they tried to raise the millage, he believes it would be a disaster.

Council Member Govin commented that they probably need to face the question that unless they are willing to further reduce services, they will have to look at doing something with the millage and possibly using reserves for the next year or so, and hope somewhere in the future, perhaps 24 to 36 months, that things will turn around. He suggested the City Manager put something together, along with the justification, to show what is necessary to be done to keep services where they are, and if Council doesn't do those things, what will happen, i.e., services that will be lost or cut, etc. He said he believes the citizens will let them know whether they want them to cut the services or give them a minor increase in millage and use some reserves.

Council Member Govin suggested the City Manager provide at least two options; the one just presented with the cuts the City Manager mentioned, and another option with three or four-tenths of a mill, perhaps going back to where they were at 4.91, and taking the balance out of Reserves. He commented that the Council will take heat no matter when they do an increase; he cautioned that in another year or two Senator Bennett (R-Bradenton) may have his way in Tallahassee, putting further limitations on local government.

The City Manager mentioned he was planning a budget workshop towards the end of April, which sparked a brief discussion of the budget process.

Mayor Affronti expressed concern about the financial condition of the Temple Terrace Golf & Country Club, which lost money and members in the past year. He commented that a special meeting was coming up at the Club in a few days to discuss possible assessments to the members. Concern was expressed that current Board Members had apparently ignored recommendations from the Club's Finance Committee.

A discussion concerning the Club's debt to the City followed, including the amount of the debt, whether the lease agreement may need to be amended, and other Club-related financial issues. Mayor Affronti clarified that the City borrowed the money from Wachovia (which is now Wells Fargo) for the Club, and the Club has a loan with the City, along with an extra one-half percent.

The City Manager pointed out that the fee to restructure the loan with Wachovia is about \$100,000; he is meeting with the Bank again on Friday, adding that they have already unsuccessfully tried asking the Bank to add two years to the end of the loan and/or do interest only, but they will ask again.

Mayor Affronti mentioned there is also an idea of the Club having a summer program; he suggested perhaps it could be tied to a summer membership at the Family Recreation Complex. Council Member Fernandez suggested the Club could also realize additional revenue from food and beverage sales, if they increased their menu offerings poolside. Mayor Affronti commented that the 285 "social" members help the Club a great deal financially. Further discussion continued.

Council Member Knapp suggested the Finance Director be directed to put together a financial package presenting the debt to go out for bid to a number of banks, seeking two years interest only, with a 15-year amortization. Mr. Marlowe suggested there are two goals to consider with this – one would be to consider revising the Country Club debt, including the ½% reduction, and secondly, to develop a longer term strategy regarding the Club. Other options, if the Club's financial situation continues to be troubling, were briefly discussed. Mayor Affronti affirmed that the Club's Board of Directors understands the ramifications of the Club's upcoming vote on assessments. Council Member Fernandez expressed frustration, stating that the Board should be open to suggestions from people other than senior male members of the Club.

The City Manager remarked that he will research the issue and the options further and report back to the Council. Mayor Affronti suggested someone speak with the Club's Board prior to the crucial vote on Sunday night. Council Member Fernandez interjected the Board needs to be clear about the ramifications if all three options being proposed are voted down. Concern was expressed about the City carrying debt for the Club when the Club's management is not demonstrating sound fiduciary responsibility.

The City Manager suggested having Mr. Marlowe facilitate the budget workshop planned for the end of April; the Council concurred with the suggestion.

Mr. Marlowe reviewed the suggested goals and asked that each participant select five goals as their top priority; they could select as many as they choose to "endorse" or reject any that they wish.

The following is a *draft* of the Council's Goals for 2009. Mr. Marlowe explained he will prepare the final document, submit it to the City Manager for his review and to incorporate reasonable timelines where possible, prior to adoption by the Council.

Goals 2009 (Draft)
City of Temple Terrace

Highest Priority Goals

- Complete draft Development Agreement within two months. (100% top priority)
- Develop a 5-year strategy for managing the City's pension obligation, including scenarios and policies for new hires. (83% top priority)
- Continue to pursue all options regarding wastewater treatment. (67% top priority)

High Priority Goals

- Explore the feasibility of the diversion of water currently being sent into the Bay up to Morris Bridge Road and the Green Swamp. (50% top priority, 50% endorsed)
- Develop a longer term strategy for the Country Club operations when the City Manager is authorized. (50% top priority)

Endorsed Goals

- Through HART and the MPO provide the City's input to TBARTA. (100% endorsed)
- Review City uses of alternative properties within two months. (83% endorsed)
- Continue update of targeted Codes and fee/fine structure. (83% endorsed)
- Continue to pursue alternative revenue sources. (83% endorsed)
- Continue to pursue circulator. (83% endorsed)
- Continue developing gateways. (83% endorsed)
- Continue the efforts to link rail and multimodal transit. (67% endorsed)
- Explore intern programs with USF. (67% endorsed)
- Explore Vandenberg Airport options with USF. (67% endorsed)
- Consider interim loan with conditions and required management plan to the Temple Terrace Golf and Country Club. (67% endorsed)
- Hold Budget policy workshops in the spring. (50% endorsed)
- Continue school support, particular with joint principals' meetings and with area Realtors. (50% endorsed)
- Consider revising debt and the one-half percent assistance with the Temple Terrace Golf and Country Club when the City Manager is authorized. (50% endorsed)

Goals Needing Further Discussion

- Explore increased student participation in City events. (67% more discussion)

Mr. Marlowe expressed his appreciation for the opportunity to work with the Council once again and called for closing comments. The City Clerk commented the goal-setting session is always an interesting process. The City Manager stated it is always productive and helps the administration in determining the Council's focus for the coming year, which is more important than ever with the constraints the City is under.

Council Member Halloway characterized the session as a marvelous opportunity to roll up their sleeves and get down to "brass tacks." Council Member Govin commented it is a great process. Council Member Knapp added that he looks forward to this session, which gives them the opportunity to speak freely about the issues before them. Mayor Affronti said he would like to see this twice a year; the exchange is so important, and a follow-up would allow them to see the progress made during the year.

The work session concluded at 11:23 a.m.

Submitted by,

Lisa Burns, MMC
City Clerk