

**CITY OF TEMPLE TERRACE, FLORIDA
MAYOR AND CITY COUNCIL
REPORT OF NEIGHBORHOOD MEETING**

**Monday, April 26, 2010
Temple Terrace Library
6:00 p.m.**

Having been duly advertised as required by law, the Mayor and City Council of the City of Temple Terrace, Florida, met in a Neighborhood Meeting, beginning at 6:00 p.m. on Monday, April 26, 2010, at the Temple Terrace Library, for a Budget Policy Workshop for Fiscal Year 2010-2011.

PRESENT WERE: Mayor Joe Affronti, Council Members Alison M. Fernandez, Ron Govin, Ken Halloway, Mary Jane Neale, City Manager Kim Leinbach, and City Clerk Lisa Small. **ABSENT WAS:** Council Member Mark Knapp.

ALSO PRESENT WERE: Public Information Officer Michael Dunn, Finance Director Diane Reichard, Leisure Services Director James Chambers, Police Chief Ken Albano, Community Development Director Charles Stephenson, Code Compliance Director Joe Gross, IT Director Bob Keel, Public Works Director Joe Motta, Fire Chief Keith Chapman, Human Resources Director Woody Hubbard, Deputy Police Chief Patricia Powers, Police Lieutenant Bernard Seeley, Assistant Leisure Services Director Karl Langefeld, Library Division Director Armand Ternak, Mel Jurado, Rod Jurado, Liz Affronti, Ron Neale, Barbara Sparks-McGlinchy, Robert Boss, Joyce McKenzie, Frank Chillura, Gloria Kares, David Pogorilich, Connie Leinbach, Jaime Barreto, Don and Doris Rimbey, Wally Blain, C. M. Evans, Alan De Guzman, Joseph Vasta, Joe Ciaccio, J. Worth Williams, Manny Santana, Steven McBride, Grant Wilson, Lynne Volpe, Julie Ford, E. J. Ford, Russ Patterson, Madeleine Christensen, Dean Christensen, and several other persons.

Mayor Affronti called the Neighborhood Meeting to order at 6:00 p.m. and welcomed residents and staff to the meeting. Following Council introductions, the City Manager introduced staff members who were present, and also welcomed everyone to the meeting.

The City Manager gave a brief status report of the downtown redevelopment project, stating substantial progress has been made over the last 10 years. He continued that the City has formed a great partnership with The Vlass Group, and the Vlass team has worked well with the City. He said the Master Developer's Agreement was signed less than a year ago, and he is pleased to announce that July 2, 2010, at 2:00 p.m., will be the groundbreaking for the redevelopment project.

The City Manager reviewed there were a couple of huge "stepping stones" that were accomplished; the Sweetbay Corporation, which has a store in the heart of the redevelopment area, has committed to sinking \$3 million in improvements on the inside of the store, not to mention the exterior. He said the second huge step, thanks to the community's lobbying efforts, was that the Post Office has agreed to relocate within the redevelopment area. The City Manager remarked that the schedule includes the Sweetbay remodeling and the location where Masque is located to be completed by November, 2010, along with some parking lot improvements. He said the next phase would be the Center for the Arts and Main Street, commenting that he is hopeful they are ready to go and get it done quickly. He added they are ahead of schedule. The City Manager commented the City has a lot to look forward to, noting that this is a great community because the residents care about the City and actively participate in the City and its government.

Turning to budget matters, the City Manager noted the economy has not been the best, and as a result, the City is in the third year of extensive budget cuts. He commented that the City's Finance Director is going to present a summary of what the City is facing, adding that the Elected Officials spent the last couple of hours this afternoon working on the budget. He said it is a challenging time, but the City will make it, as they have in the past years, but is seeking citizen input. He stated they will present some of the programs and services the City is at risk losing, due to the loss of approximately 26% of its property tax revenue, along with a million dollars of State revenues, and less interest income due to the downturn of the economy. He concluded it is a challenging time to maintain the high level of services that everyone has grown to know and appreciate; therefore, because the City government works for its citizens, citizen input is being sought.

The City Manager called on Finance Director Diane Reichard to present a PowerPoint presentation, a copy of which is part of the record, and to review the challenges of the City's Fiscal Year 2010 operating budget.

The Finance Director began with a budget overview, stating that the City has a \$52 million total budget, comprised of a \$22 million general fund budget; a \$15 million utility fund budget, which is their water, sewer, and sanitation funds; and \$15 million in other funds, such as gas tax, CIT (Community Investment Trust) funds, and TIF (Tax Increment Financing) funds.

The Finance Director pointed out that of the \$22 million general fund budget, property tax accounts for \$7 million. She noted that this year the City has projected a \$1.4 million shortfall and questions where that money will come from. She continued that as the City Manager mentioned, the property values in Temple Terrace are projected to decline another 10% this year, from \$1.64 billion in Fiscal Year 2007-08 to \$1.25 billion for the coming Fiscal Year 2010-2011, resulting in a decline of \$390 million in property tax revenue alone. She noted this translates into a property tax revenue loss for the City of \$1.92 million or 26% over the last three years.

The Finance Director expressed concern that unless the City finds alternatives, Temple Terrace could be a different City in the future, which she will demonstrate as the presentation continues. She explained that library hours could be reduced from being open 52 hours to 44 hours a week, or a cut of 8 hours per week; recreation could offer fewer programs; some of the "external" programs, such as the Fourth of July parade, community and education enhancement grants, and other special events and programs could be eliminated in order to balance the budget.

Utilizing pie charts, the Finance Director briefly explained the general fund revenue sources, which include 50% from taxes; 25% from general revenues; 14% from program revenues, such as recreation fees; 8% contributed from enterprise funds (utility services); and 3% from grants. Regarding general fund expenditures, the Finance Director pointed out the two largest areas as public safety, with 58% of the expenditures and leisure services, with 17% of the expenditures. She explained that leisure services include the library and recreation programs.

The Finance Director presented the various options to consider: raising revenues, reducing expenses, or a combination of both, or property taxes and fund balance; in regard to reducing expenses, it can include internal expenses, external expenses, and/or program/service reductions. She explained that internal expenses affect those working for the City; external expenses directly affect the citizens who participate in those programs currently offered by the City.

The Finance Director reviewed some of the fees that are scheduled to be increased this year, including the 10% increase in recreation fees, which is presented to City Council for approval every two years in order to keep up with inflation. She suggested that Council could consider going up another 5% to add an additional \$12,600. Regarding the local business tax revenue, she mentioned State law permits that tax be increased every two years by 5%; this is the year the City is able to levy that increase, which would produce an additional \$11,500.

Regarding a reduction in internal expenses, the Finance Director explained that \$103,000 can be realized through eliminating positions, with another \$205,000 to suspend other positions, which means to leave it in the budget, but not fill the position unless and until revenue comes back to fund them. She explained that eliminating all capital equipment purchases will relieve \$600,000 of expenditures in the coming year, but merely pushes them forward to a future year, because the five-year capital program for the City is an average of \$600,000 per year.

The Finance Director presented the options for reducing external expenses, which includes contracts with the Chamber of Commerce in the amount of \$12,500; community enhancement matching grants of \$5,000; education enhancement grants in the amount of \$15,000; a quarterly newsletter that goes in the utility bills, in the amount of \$2,000; the Fourth of July celebration in the amount of \$43,000; and recreation-related special events in the aggregate amount of \$8,300.

The Finance Director demonstrated the option of a reduction in Library services by 8 hours a week would equate to a \$24,000 savings over the fiscal year. She noted where the library's funding is derived, stating that two years ago, the City received funding for 40% of the total library expenditures from Hillsborough County; however, in fiscal year 2010-11, the City will only receive 24.5% of the City's anticipated cost of \$545,184 to operate the library, leaving the City to make up the balance of funding needed.

The Finance Director then presented various options for possible program reductions/eliminations in the Parks & Recreation programs and anticipated resulting savings, which include:

- Close Family Recreation Complex on Sundays - \$33,000
- Close Aquatics Complex in winter - \$31,000
- Open Fitness Center at 8 a.m. - \$2,500
- Close Fitness Center at 8 p.m. - \$2,800
- Eliminate Senior Transportation van services, which would also eliminate a position - \$34,000
- Charge 50% of ball field lighting to the leagues - \$12,500

The Finance Director presented Fire Department Programs that have been reviewed and would result in savings, such as elimination of Fire Prevention Month - \$4,500, Community CPR Classes - \$7,500, Fire Blitz (a program presented to school children) - \$5,000, and the Knox Box Program - \$3,500.

The Finance Director then explained the option mentioned on the first slide of the rolled-up millage rate. She reviewed that last year the Council approved a rolled-up millage rate. To the citizen, she said, the residents do not pay any additional tax; as the value of their house goes down, the millage rate increases to keep the “bottom line” the same. She cited an example to demonstrate the effect of the property tax rate (millage rate) on revenue generated, noting that the rolled-up rate is revenue neutral to the City – it will generate the same dollars to the City as the previous year, and the residents would not pay any additional tax. She commented that the rolled-back rate (rolled-up in current terms) would generate an additional \$736,000, which would mitigate the shortfall created by the loss of property tax revenue if the rate was to remain the same.

The Finance Director presented the millage rate revenue generated by various millage rate amounts, noting that the .6 mils, increasing the current rate to a 5.8699 millage rate amount, would generate about \$752,000, which is the revenue neutral amount that would be realized by “rolling-up” the millage rate – but would result in the same dollar amount of taxes to be paid by the citizens. She reviewed from the first slide that the City is facing a \$1.4 million shortfall, by doing the .6 mils would equate to about half of the shortfall.

The Finance Director explained the tentative millage rate will be set in July and that is the same information that is provided on everyone’s tax notices that come out in September. She commented that the next option is the Fund Balance. She stated that the Council has made a conscious effort to maintain a 25% fund balance in reserves, but during these tough economic times, the fund balance is approximately 20% of the general fund expenses. She remarked that if they choose to use some of fund balance for next year and take it below the 20%, for every 1%, it equates to about \$215,000.

Mayor Affronti asked the Finance Director to explain further the meaning of fund balance, to which she responded it is similar to a savings account; it is a reserve for catastrophes, so that the City would have the funds, because even though FEMA may reimburse the City, it takes a long time to get the money. The Finance Director added that it keeps the City operating for about three months.

The Finance Director concluded her presentation, stating that the City faces a \$1.4 million deficit in the coming fiscal year. Having presented the various options for cuts and generating revenues, she opened the floor for citizen input and suggestions.

Mayor Affronti remarked that Temple Terrace is a unique City, providing a lot of things that makes the City special, and the Council would rather not give those things up; that is what makes the City what it is. He said they are interested tonight to receive citizen input, such as a combination of an increase in millage and direction to staff to go back and look at deep cuts in personnel or other areas in order to bring the budget in line. He said they would like to avoid the effects of a \$1.2 million reduction in ad valorem tax revenues, with some sort of combination of increased millage and further deep cuts in expenditures.

Doris Rimbey questioned how many actual homes are in Temple Terrace. The Finance Director said she has 9,000 parcels on the tax rolls. Council Member Halloway interjected he believes there are about 5,000 homes. Mrs. Rimbey questioned how much each home would have to be taxed to make up the \$1.4 million shortfall. The Finance Director responded it was about \$150 per parcel per year.

Rod Jurado confirmed with the Finance Director that they would be adding \$150 to the approximate \$950 in the example shown. Mr. Jurado asked what assurance they have that if things turn around that there would be a reduction in the millage levy as well as an increase in reserves, adding that he believes that would be a wonderful solution – to get them halfway there, for the citizens to pay what they paid last year, and continue to raise the millage rate to get to that place. He said he has no problem with that.

The City Manager responded that was the direction of Council for this current fiscal year, to go up a little bit, but as things turn around, as they will, they will effect a reduction in the millage rate as well as reimburse the reserves to get back to the percentage they are accustomed to having. Mr. Jurado said the City is not asking them to pay any more than they currently are; therefore, to figure out a way to raise it about \$150 per house is only about \$12 per month, sounds like a workable deal.

Mrs. Rimbey concurred, especially when they consider how many jobs it might save. An unnamed citizen added that is an important point.

David Pogorilich said they mentioned they would look at lowering the millage rate back down when things turn around. He asked what they consider the definition of “turning around” to be. The City Manager responded that the millage levy is multiplied by the value of the property; as the values increase, revenues will increase, and at that point the administration would go back to the Elected Officials. He said the direction of Council is not to capitalize on increased revenues.

Mayor Affronti interjected they are also very hopeful the redevelopment, and the TIF money that will be generated from redevelopment in the next few years, will help the City greatly. He said they are investing now in redevelopment, which is tough, since they really don't have the money to do so, but they believe for the future, this will help them raise badly needed revenue. He continued that the City is working hard to annex where they believe it is feasible, but, in general, the City doesn't have a lot of area in which to expand to increase the tax base.

Mr. Pogorilich questioned whether the City has any projections as to what the revenue stream might be when the redevelopment is in place. The Finance Director commented that when the redevelopment is complete, there would be about \$900,000 per year; currently they are bringing in about \$300,000. The City Manager added that is about 30 acres out of 230 acres. The City Manager cautioned this is tax incremental financing that is designated for the CRA only; the reason it is so beneficial to the City is the County is contributing their tax incremental financing for the City as well. He commented there are three taxing agencies that contribute to the redevelopment area, Hillsborough County, the Port Authority, and the City, but again, the money must be used in that area; it cannot be used for other uses outside of redevelopment.

Mayor Affronti reviewed that he believes the CRA was established in 2004; at that point the County agreed to give the City 100% of the incremental value of the CRA property for 10 years, then the amount decreases to 80%, so it can generate a considerable amount of revenue over the next 20+ years.

As they look at the budget, Mel Jurado asked whether they are providing the Department Heads and City leaders what they need to do the job that the expectations as citizens have come to be. Citing the Police Department as an example, she said one of the reasons they live in Temple Terrace is because of the City's Police and Fire Departments. She questioned whether there are things they brought to the table that they really thought they needed to continue to provide the levels of service that had to be tabled or pushed aside. She stated that as citizens, they are willing to "belly up to the bar" for \$150, but if the City tells them it is really \$200 to keep their security whole, she believes that is something they need to sell to their fellow residents.

The City Manager responded that to cut this deeply, interjecting this the third year of cuts, the options become worse, more severe. He explained when they go to the Mayor and Council, they do not propose raising taxes; they do not have that prerogative; they can only cut and look at milder revenue enhancements. He continued that he would say this would have a potentially detrimental effect on the level of service at this juncture, now that they are in the third year of cuts. He suggested if the residents and Elected Officials are willing to look at some of the rolled-up rates to offset that, he believed they can make-do as they go through another year. He expressed concern about next year, adding they haven't even gotten through this one yet.

Mr. Jurado questioned the \$600,000 for capital outlay, and asked what they would be "doing without" this year without that funding. The Finance Director responded she has not received the Department Directors' capital requests yet; however, on this year alone they only did \$200,000, so they were planning to do \$800,000 next year. She continued that if they don't maintain the \$200,000 this year, they are facing a \$600,000 deficit as well; it is vehicles, recreation parks areas, swimming pools, etc.

Mayor Affronti pointed out that with great credit to the Police and Fire Departments, during the current budget year, they voluntarily took no pay increase this year.

Mrs. Rimbey questioned why the parade costs so much, to which the City Manager responded that is overtime for all of the Police and Fire personnel. He said they work from about six in the morning to midnight, and they can't take everyone off the street; they still have to have the same level of protection for the entire City.

Wally Blaine said the Board of County Commissioners voted last year or the year before on indexing the tax rate and the State Legislature debated some sort of Act that way. He questioned if the City raises the millage rate, when would the City run into that problem, expressing concern that if the City gets into too deep of a whole, would they be able to get out of it. The Finance Director said she couldn't answer that at this time.

Mr. Pogorilich questioned whether the projections include all of the foreclosures. The Finance Director responded that the projection includes foreclosures, because they will collect from them when the property sells. She commented the City usually receives from \$5,000 to \$10,000 in late fees each year, but this past year, the City collected about \$130,000 in late fees.

Gloria Kares, Temple Terrace resident and Realtor, remarked that this area has very few short sales and foreclosures in comparison to any other area of Tampa.

J. Worth Williams commented that he has lived in Temple Terrace for 42 years and has noticed how many improvements have been made over the years. He commended City staff, stating he believes the City is doing very well and he would like that to continue. He said he knows that taxes are going up in every City and County, and while some say to grin and bear it, in 30 years if they don't do something about it, they'll be in bad shape. He reiterated that the City has come a long way, he is proud of what the City has done, and he appreciates the protection and service given. He commented that he would have liked to see more people, out of the 25,000 residents in the City, turn out for this meeting and take more interest in the local government.

Mayor Affronti asked for a show of hands of those who would not object to a reasonable millage increase in order to maintain services in the City. He commented that was a pretty significant show of hands.

Mr. Pogorilich commented that in terms of the shortfall, they need to look at a reasonable increase, which is open to interpretation, coupled with cuts. A concerned citizen questioned as the property values go back up and revenue increases, whether the Council would cut the millage, to which Mayor Affronti responded affirmatively.

Council Member Fernandez commented she grew up here and has been able to use almost every service the City offers, which is one of the reasons she moved back here after graduating from college, to raise her family. Regarding the question concerning the millage rate, she stated that she knows the residents have an expectation of the level of service and care in this City, so it is very reasonable to question what happens when property values turn around. She explained that the way the City functions, City staff is encouraged to look for grants and alternative funding sources and does a very good job at that, adding that if they look at the funding sources of any major project in the City, they will see funding from outside the City tax base. She said staff is serious about it and looks at all possible sources and things that can be cut without affecting service. She suggested it is possible that different departments may be able to cut small programs that across the board start to add up, but do not affect the day-to-day life of our citizens, citing the example that there may be certain recreation programs that affect a small number of people who may have to pay a little more, as opposed to spreading that cost across the board to every citizen.

Council Member Fernandez remarked that is one of the reasons they are here today; they have ideas, but wanted to know the programs and services that are most important to the citizens. She continued that cutting things could actually lower their property values, even though cutting expenses off the top may seem to be the best way to go; however, it impacts the City in the long run.

Council Member Fernandez remarked that they want young families to move here and for seniors to have a reason to stay here. While she acknowledged she doesn't have all the answers, she said the Council wants to know, adding that the group of people she is around most often may have a different set of priorities than others; it is important to receive feedback from as many people as possible.

Council Member Fernandez also commented that while the public schools greatly impact their property values, they are out of the direct control of City government. She expressed concern with some of the perceptions of Temple Terrace schools. She said some of those misperceptions perpetrate a poor image of the schools, and that affects their property values. She encouraged everyone to find out what they can do to get involved in the schools, whether or not they have children in school.

Council Member Govin expressed appreciation for the citizen input, and even though they are a relatively small group of citizens, they reflected what the Council discussed today in their budget policy workshop, which is to try to continue as many of these essential services, which he calls the "heart" of Temple Terrace. He remarked that in some Cities they may not be considered "essential" services or programs, but our citizens have gotten used to them, and they need to be sustained; otherwise, it will impact how they live and their property values. He encouraged them to encourage others to talk to their Council Members. He noted the Council has to vote on the millage rate in July and they would like as much input as they can possibly get.

Council Member Neale thanked everyone for coming, adding that their input is absolutely necessary. She encouraged them to talk to her, and she will listen.

Council Member Halloway commented that the citizens can judge by what they have heard that the Council is acutely aware they want to maintain the services. He noted that most of them do not like the idea of increasing the millage rate, since they pay taxes, too, but sometimes that may be the only way to go. He said if they do vote to increase the millage rate, it will be in the interest of maintaining the services the citizens all enjoy.

Secondly, regarding redevelopment, Council Member Halloway said this was a dream they shared 10 years ago to make that area along 56th Street a New Urban Town Center, believing that would make the town something very unique. He said they pushed hard for it over this time, acknowledging that when they started out, they did not realize all the problems they would have. He commented how pleased he is they have finally gotten to this point. He thanked everyone for coming tonight, noting the importance of their input, in that they work for the citizens of Temple Terrace. He mentioned that in all the years he has been on the Council, every Council Member's primary purpose is to make this City better; while their thoughts as to how that should happen may have differed, he said they all had the same purpose. He concluded they will do their best to fulfill the City's obligations to its citizenry.

Mayor Affronti recalled in 2000 when the City's CRA was established, they talked about the southeast quadrant, but it was just a vision, with one Council Member suggesting that was pretty bold. He said they have been working on it for 10 years, and it is finally coming to fruition.

Mayor Affronti mentioned another comment he has heard from other agencies is that they just have to make decisions and do things. While that is okay, Mayor Affronti explained in Temple Terrace they see their constituents every day, whereas, County officials may not. He remarked Temple Terrace is different, because they see the persons they live with and work for, which make the City unique - sort of like Mayberry. He said he loves that Temple Terrace is a close-knit community with everyone working together like a family; the Council wants to be sure they have a good quality of life and that they do the best for the people of Temple Terrace, including ourselves. He thanked everyone again for coming and for their input this evening.

Mayor Affronti mentioned the need for volunteers to serve on the City's various volunteer Boards. He encouraged interested persons to call the City Clerk's office at 506-6440 for further information. He stressed the importance of the Boards and asked for citizens' help in serving on these boards.

Rod Jurado commented that citizens should look at the improvements done on 56th Street, where the City has done an excellent job, using the available funding wisely. He reminded everyone to continue to move in the direction they are going; if they get in the situation where they cut the wrong things, it can be a detriment, as Council Member Fernandez stated. He noted the \$12,500 for the Chamber of Commerce is a case in point – they have taken over the 4th of July fireworks, and they have 900 members who communicate Temple Terrace to others. While he, as a businessman, is opposed to taxes, he said he would rather put his money into Temple Terrace than elsewhere. He concluded by thanking the City for what they are doing on the citizens' behalf.

Mayor Affronti concurred that the Chamber of Commerce is the City's public relations firm – to hire a firm would cost a lot more.

Joe Ciaccio of Dewey's Liquors commented he is excited about the redevelopment, but is also concerned, as a small businessman, at what has happened right before their eyes over the last few years in terms of the number of liquor establishments that have cropped up. While competition is great, he expressed concern they may be putting another one in the redevelopment area, noting that if that occurs, he may have to stay open until 3:00 a.m., in order to compete and just to make ends meet. He questioned where the Council stands on having another liquor store.

Mayor Affronti responded that they have not been approached by anyone asking for permission to put in a new liquor store, but at such time as someone does, Mr. Ciaccio will have an opportunity to address the issue before the Council. Mr. Ciaccio pressed the issue, wanting to know now how the Council feels about it. The City Manager stated that the Council is concerned for all residents, including commercial; however, he would not suggest that the Council deliberate that issue tonight, since it has not been presented to them at this point, but he assured Mr. Ciaccio that the Council is very conscientious about the importance of every business in the community.

Barbara Sparks-McGlinchy, Executive Director of the Temple Terrace Chamber of Commerce, expressed appreciation for the comments that were made.

Ms. McGlinchy said the Chamber is happy to be an ambassador for the City. She continued that she has lived here for many years, and would happily do her part with increased taxes, if necessary.

Regarding the 4th of July, Ms. McGlinchy commented it is a very wonderful tradition in Temple Terrace. She said they are very excited to have Robin Roberts serving as this year's Grand Marshall. She remarked that the fireworks are wonderful and bring many people to the City, and they will do their best to do what they can to see that continue. Mayor Affronti expressed his thanks for all that the Chamber does.

Mrs. Doris Rimbey commented that a couple of years ago someone collected money to help with the 4th of July. The City Manager responded that the Chamber of Commerce spearheaded that effort and will probably do so again.

There being no further comments, Mayor Affronti again thanked everyone for coming.

The meeting concluded at 7:03 p.m.

Submitted by,

Melissa (Lisa) E. Small, MMC
City Clerk