

**MINUTES
LONGBOAT KEY TOWN COMMISSION
SPECIAL WORKSHOP MEETING
MAY 21, 2012 - 1:00 P.M.**

Present: Mayor Jim Brown, Vice Mayor David Brenner, Commrs. Jack Duncan, Lynn Larson, Hal Lenobel, Phill Younger, Pat Zunz

Also:

Present: Town Manager Dave Bullock, Town Clerk Trish Granger

CALL TO ORDER

Mayor Brown called the Special Workshop Meeting to order at 1:00 p.m.

Mayor Brown requested a moment of silence in memory of Police Chief Al Hogle.

1. Fiscal Year 2012-2013 Preliminary Budget Discussion

The Town Manager will provide an update on the current year Budget and a review of the Fiscal Year (FY) 2012-2013 budget currently under development. Recommended Action: Pending discussion, provide direction to Manager.

Town Manager Dave Bullock noted the attendance of Department Heads and introduced Planning, Zoning, and Building Department Director Robin Meyer and Acting Police Chief Pete Cumming.

Town Manager Bullock provided an overview of the FY 2012-13 Budget preparation process undertaken by Staff and provided an update on the current year (FY 2011-2012) Budget reviewing revenue sources (Sales tax, Communications Services tax, and Electricity and Gas Franchise fees). Discussions were held with Town Manager Bullock and Finance Director Thomas Kelley on the following topics/issues:

- calculation of Florida Power and Light (FP&L) franchise fees
- options to include audit provisions in future FPL franchise contracts
- reports of increased sales tax collections and impact on current collections and anticipated revenues
- options for renegotiation on the amount of return of sales tax collections with Sarasota County
- restrictions on use of the sales tax revenue
- funds expended on the study relating to the Firefighters Pension
- utilization of the Urban Land Institute (ULI) and the Request For Proposal (RFP) process
- inclusion of \$1,000,000 in the anticipated fund balance of \$4,741,879
- fund balance over a five-year period (Staff to report back).

Town Manager Bullock noted the guidelines established in the development of the FY 2012-2013 Budget and provided an overview of the anticipated budget challenges to overcome in the next fiscal year . Discussions were held with Town Manager Bullock and Finance Director Kelley on the following topics/issues:

1. Fiscal Year 2012-2013 Preliminary Budget Discussion - Continued

- option for Town Manager to do a "zero based" review of departmental budgets
- alternatives being reviewed relating to health insurance coverage
- areas that could be reviewed for savings that may be achieved in current fiscal year
- General Fund Net Operating Budget without pension costs
- comparison of General Operating Budget with Revenues from 2004, including inflation rates
- government salaries versus private businesses, including the number of new employees added
- consideration for the utilization of the pension cost reserves (\$1,000,000)
- unfunded liability and pension cost growth based on an eight percent (8%) investment return assumption
- on-going review of providing services at lower cost
- unrealistic earnings established by the Retirement System Boards of Trustees (8% return on investments)
- options to request input from employees to reduce operating budgets without affecting services
- changes to delivery models to retain level of service
- restricted timeframe for additional budget review and modification to service delivery
- determination of Reserve balance to cover unanticipated emergency situations/catastrophic events
- inadequate funding in the past to meet pension requirements
- source of Reserve balance funding/development of a Reserve/Fund Balance Policy
- report on funds expended from the Contingency Fund
- request for Staff to report on surrounding communities reserve policies
- Town versus Retirement System Boards investment policies
- preferred methods to cover anticipated budget shortfall
- allocation of expenses charged to the General versus Enterprise Funds
- review of full costs to provide services for each Department, including the Tennis Center, and other Enterprise funds
- future Budget Workshops to be scheduled
- determination of sales tax revenues prior to development of the Preliminary Budget due on June 1, 2012.

2. Other Business

A. Boards/Committees

Town Manager Dave Bullock noted that the advertising deadline for the Community Center Advisory Committee was this date at 5:00 p.m., and that the Town Clerk's office had received two applications for the five available seats, and advised that the issue would be discussed at the Regular Workshop Meeting on May 24, 2012.

ADJOURNMENT

Mayor Brown adjourned the May 21, 2012, Special Workshop Meeting at 2:13 p.m.

Trish Granger

Trish Granger, Town Clerk

James L. Brown

James L. Brown, Mayor

Minutes Approved: 07-02-2012