

A budget workshop meeting of the City Commission was held on July 3, 2012 at 5:00 p.m. in the Commission Chamber at the Municipal Administration Building. The meeting was called to order by Mayor Michael S. Carter.

**COMMISSIONERS PRESENT:** Christopher Lutton; Betty Wojcik; Terrye Y. Howell; Mayor Michael S. Carter; Jonathan Thornhill

**COMMISSIONERS ABSENT:**

**CITY REPRESENTATIVES PRESENT:** Terry Leary, City Manager; Clara VanBlargan, City Clerk, Jacquie Hawkins, Deputy City Clerk

[Meetings are recorded but not transcribed verbatim]

**Agenda Item 2. Budget Discussions: Library and Airport**

Handouts to be distributed at meeting.

Finance Director Dorothy Pendergrass reviewed the two budgets to be discussed. She explained that the library budget is located in two places, one for the General Library budget and one for Books by Mail, which is a special revenue fund and therefore restricted.

**LIBRARY BUDGET:**

Tina Peak, Librarian, reviewed the Library budget:

- **Funding Sources:**
  - Library Services: Funding for library services for city residents are designated by ordinance to have a guaranteed revenue source of no less than .5 mil and no more than 1 mil of ad valorem property taxes.
  - Books by Mail: This is an extremely successful outreach program funded by an interlocal contract with Polk County Library Cooperative to serve Polk County's unincorporated residents. Based on circulation, the Cooperative pays 100% of the operating expenses which are kept separate from the general budget. This has been cut 40%.
- **Other Revenues:**
  - Special interest classes at the Library such as Yoga, art, and craft classes with user fees paying for the instructors
  - Meeting room rental fees
  - Fines, fees, copier charges
- **Expenditures:**

Staff: 18 part-time and fulltime employees operate the library six days a week. 30% of them hold Master's Degrees in Library Information Science, and six are professional librarians.

  - Operating expenses:
    - Electricity is high though after the energy retrofit program a few years ago the bill has dropped 30%
    - Insurance covers replacement of several million dollars worth of books and supplies, not including things like machines. Two fireproof filing

cabinets were donated to the library to store irreplaceable sensitive archive material, as well as maps and blueprints. The catalogue of books and materials is housed in an outside facility.

- The purchase of books, and materials such as magazines, newspapers and subscriptions, which are designated as capital outlay, are presently paid for from impact fees.

Mayor Carter asked how the rollback rate would affect the library. Ms. Pendergrass explained that the general fund and library are equally affected proportion-wise. If the rollback rate is a lower number, then both would lose proportionally, though the library cannot go below ½ of a mil; and if the rollback rate is higher, they both would gain proportionally, like a parallel sliding scale, though the library is capped at 1 mill.

Commissioner Thornhill asked how much the unincorporated area paid for library impact fees and Ms. Peak said the most they ever paid was \$8 whereas the incorporated area pays a lot more and at one time up to \$32 per capita. Commissioner Thornhill said they need to speak with County officials to raise that county fee because right now county residents receive the same benefit as city residents for half the cost. Commissioner Lutton said city residents are subsidizing the county.

**AIRPORT BUDGET:** Finance Director Dorothy Pendergrass reviewed the airport budget. Public Service Director Teresa Allen said the airport budget was cut 10% and they have cut back as much as possible. All capital projects were moved to FY13'14 and beyond except the finishing of the Master Plan which is underway.

- **Revenues:** Rental fees from T-hangars, camp rental, fuel and fuel flow charges
- **Expenditures:**
  - Staffing: An interlocal agreement was set up five years ago between the City and the Airport Authority when the Airport Authority came into existence and they couldn't afford staffing, whereby city staff was loaned to them to help run the airport.
  - Insurance:\$28,000
  - FAA fees for mandatory Inspections
  - Required annual audit
  - Contract Services for collection fees, which are built into the FBO agreement
  - Mowing

Commissioner Thornhill asked how long was left on the FBO contract. Economic Development Director Harold Gallup said fifteen years. Commissioner Thornhill asked whenever the airport starts making money, if that money would go into our general fund. Ms. Pendergrass said that would depend on how the Commission decides to budget it.

Commissioner Lutton asked how the charges for T-hangars were determined. Ms. Pendergrass said that is determined by the City Commission and is presently increased annually 2.5% or the CPI (Consumer Price Index) whichever is greater. This is competitive with the rental fees in the area. Commissioner Lutton asked if it would be the same fee if they build a new hangar and Mr. Gallup said a market analysis would be run. Commissioner Wojcik asked if the Master Plan addresses those type development issues and Mr. Gallup said it did but that there was limited capacity for new development at the airport because we do not have the money for engineering work needed to solicit CDBG funds for construction.

Mayor Carter asked if there was a need to finish the Master Plan when there is no grant money available and Mr. Gallup said it was not an option but a mandate. Mayor Carter asked if it still needed to be called the Airport AUTHORITY when by charter they have no authority to do anything. Mr. Gallup said it benefited us in the long run by enabling the Airport to get the money requested from Senator Alexander and it also gives the Airport a higher rating on grant applications.

Mayor Carter said he does not see the need in it being an Airport Authority any longer. There is no flight training, flight leasing, repairs or other activity done at the airport other than sky diving and doing 'touch and go' landings and is therefore a non-functional airport. He said there have been major breaches of contract. Mr. Gallup said it is generally categorized as a recreational airport though they are planning on making it a general aviation facility.

Commissioner Wojcik said that a discussion on the future of the airport would be a good workshop topic.

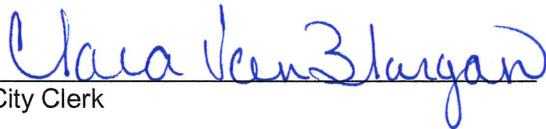
Ms. Pendergrass added that the interlocal agreement that loans city staff to the Airport Authority will end in September but if the Commission chooses to end that agreement it will result in a comment on the city audit because the airport cannot afford its own staff.

There being no further business, the meeting was adjourned at 6:52 p.m.



Mayor/Commissioner

ATTEST:



City Clerk