

State of the City January 27, 2015

My Fellow Council Members, Mr. City Manager, Mr. City Attorney, Madam City Clerk, my Fellow Residents of the City of Venice: Venice is a vibrant City with an engaged population, the state of our City is healthy and for the first time in years, experiencing some real growth. The heart of Venice is once again beating and our prospects for the future look bright. Our business district is bustling and some of our merchants just completed record breaking years. Occupancy in our downtown area is high and turnover appears to have decreased. Most of our residents indicate satisfaction with the direction this Council is taking and I have no doubt they will continue to stay engaged by making their desires known at each and every election.

As we move forward, we must be ever mindful of the trust given to us to run this City as efficiently and effectively as possible. The nature of our budgetary process requires this City to operate from taxes collected in arrears of the budget making process. The County Tax Assessor values property each January 1 of the previous fiscal year and begins collecting the taxes in November of the current fiscal year, with the bulk of collections completed by February of the current year. Our fiscal year started October 1, 2014, a full two months ahead of the first property tax collection due date. Our budget was set using a conservative estimate of what the tax records showed as the total value of real estate in the City of Venice on January 1, 2014. Property values hit a cyclical low with the January, 2012 assessment culminating a 5 year decline in value and have had a slow but steady recovery since. The property tax ad valorem assessment represents approximately \$9 million of a \$24.2 million general fund and is really the only portion of the revenue over which City Council exercises direct control. Since we have little control over the remainder of our revenue, we have to start moving toward a budget process that spends taxes and fees only after they are collected. A case in point is the Communication Services Tax, basically a tax on telephones. There is a movement at the State level to eliminate this approximate \$500 million tax as part of a \$1 billion state tax reduction. The problem with this elimination if it goes through is that the reduction is to local governments, not to the State coffers. The State will take credit for reducing the taxes collected but will suffer very little actual revenue loss on the State level.

The remainder of the \$108 million total City budget is provided through other taxes and fees collected for services. Our largest component of the General Fund expense continues to be Public Safety, 58.5% of the total value of that fund.

We are a blessed City with very competent and responsive Police and Fire Departments. Our personnel that provide public safety for our residents are second to none and work hard to have and keep the best interest of the citizens of Venice first in the job they do. The character of our fine City is due in part to the excellent job done by these first responders.

Our Public Works, including Solid Waste, Recycling, Yard Waste and Park and Public Land / Building Maintenance continue to perform in an exemplary manner and receive many accolades from our citizens. It is fair to say that the City looks as good now as it ever has. We have not, however, completed our plan; we have merely made up for some years of neglect and we have brought the City back to its rightful place as a Historic Community in which to Live, Work, Learn and Play. We have done so, incidentally, with fewer personnel on the City payroll.

Our Utilities Department has embarked on a long overdue modernization of our potable water and sewer system. They have also begun the process of replacing our aged and less than effective membrane reverse osmosis system. The new system will enable us to recover more potable water from our underground wells than we currently recover which in turn will help assure an adequate water supply for the expansion our City. The replacement and repair of the water and sewer lines will assure fewer customer interruptions and a safer water system. Actions taken by this Council helped the City win an AA rating on the bonds used for funding some of these programs and have therefore kept the debt service level for our rate payers to a lower level.

Beach Renourishment is currently underway and has been made possible largely by our 1 cent local sales tax. It is now over 20 years since the first nourishment began in 1994 and leaves us with 30 more years of Federal help while we seek a more permanent method of saving one of our greatest resources and asset, our beach. This Council was successful in lobbying our Congressman, Senators and Core of Engineers to renourish the beach a year early due to the erosion we have suffered from tropical systems and other weather phenomenon over the last 10 years. I am going to ask this Council to devote energy and resources to help find a more permanent solution to our eroding beaches and ask Council to support lobbying our Representatives to focus some of the future COE money toward alternative permanent beach saving ideas instead of just renourishment.

Storm water resources continue to be wisely spent to assure non tainted water is discharged into the Gulf of Mexico. Major work has been accomplished on some of our outfalls and we will wait to see the long term results. There have been fewer beach closings this past year and the Storm Water Division will continue to work for zero closures.

Engineering continues to be very busy with our roads and sidewalks having just completed the first ever Pavement Management Analysis. This department is also the lead area for our parking solutions expansion and continues to provide excellent results in the tasks that we assign. In addition, engineering is our direct point of contact for the widening of Bypass 41 and beach renourishment.

The airport has completed a portion of its modernization and improved safety construction. With the noise mitigation runway project complete, attention can now be focused on removing homes from the runway protection zone and improved taxiway transit for the aircraft utilizing one of our other prized assets. It appears we are very close to settling the differences in the cost to rebuild the third nine of Lake Venice Golf Course, costs due entirely to the changes at the airport that affected the golf course, and we will continue our negotiations to help Lake Venice remove unused land from the lease so that the property being leased more closely represents the property actually used.

I am sure I left off some of our other departments, such as our award winning Finance Department, IT, Administrative Services, Building and Code, Planning, Legal, City Manager and the City Clerk, but suffice it to say, all the departments of the City are operating effectively, efficiently and in the best interest of the City of Venice.

Some of the major accomplishments of this Council; early beach renourishment, transfer of some local roads from the County to the City and some connector roads from the City to the County, successful negotiation of our labor contracts with all of our unions, revamping of our health insurance employee / retiree co-pays and fees producing anticipated savings of 20 million tax payer dollars over the next 20 years, new parking locations for our southern beaches, additional parking for downtown, removal of newly hired police officers and firefighters from the current retirement plan to the Florida Retirement System (FRS), incentives to help existing firefighters and police officers transition on a voluntary basis from the current retirement system to the FRS (another multi-million dollar long term saving), settlement of the last outstanding law suit on short term rentals, capturing the REV 3 triathlon for three consecutive years, capturing the International Chalk Festival with a promise of a return performance, re-paving of a large portion of West Venice Avenue, beginning the long awaited widening of 41 bypass, participating in a Parks Master Plan with the County, and the beginning of updating our Comprehensive Plan.

It is fair to mention these accomplishments, but we must not rest on them; there is still much to do. We must move on ideas and items in our Strategic Plan so that this City is moving toward the greatness that the last almost 90 years of history has lain as our foundation. We must remain vigilant of the fact that as we assign our staff new or different tasks not in our Strategic Plan, it takes away from their ability to accomplish the Strategic Plan that we have all agreed to and assigned as the direction of the City. I am not saying that we must be inexorable in the

directions given staff but we must realize personal agendas inconsistent with the Strategic Plan of Council can be time and energy wasters.

There are areas of our Strategic Plan where we continue to fail our taxpayers as we have failed to provide solutions:

- We have tackled short term parking solutions but have failed to provide intermediate or long term solutions.
- We have failed to provide a long term solution to eliminate the underfunding in the Police and Fire pension plans.
- We have failed to provide sufficient resources to rewrite the Comprehensive Plan on a timely basis.
- We have failed to develop and implement a plan for the rehabilitation of Wellfield Park
- We have failed to acquire additional land for parks to make up for the loss of park land at Pinebrook Park.
- We have failed to fund the hardening of our Police Department building.
- We have failed to come up with a plan to help in the rebuilding of the Seaboard area caused by the 41 bypass widening.

There are more, but it will be sufficient to limit this paper to these major areas of concern.

We have developed a two or three stage short term parking solution plan to increase parking area for both Downtown Venice and the beach, but we are rapidly running out of ground parking spaces to accommodate our residents and guests. We have had proposals on several locations for parking garages that could have produced intermediate and long term solutions, but these proposals were rejected. Assuming that the professionals that submitted the proposals for parking garages selected the best available spots, it makes no sense to continue talking about a parking garage as an intermediate solution for parking. It has been stated by more than one Council Member that we should explore a trolley system for our City and I heartily endorse that proposal. With the start of our new Strategic Planning sessions in February, it makes sense to move trolleys to the intermediate solution (1 to 4 years) and a parking garage to a long term solution (5 years and longer). We could have some trolleys on line and operating as soon as next season utilizing parking at the Community Center, Airport; and on weekends, the schools. This could be expanded by 2017 to include parking off the Island with shuttles on to the Island to help alleviate vehicle congestion as well. Shuttle routes can easily be expanded all the way to Auburn Road to help bring East Venice Avenue businesses into our Central Business District. This will give us time to develop a long term solution of a parking garage, if needed, in one of the very desirable locations not yet considered.

A parking garage can be considered on the City Hall property if Fire Station 1 is relocated, it can be located on Miami Avenue if we successfully negotiate air rights with the owners of the Pattison Building or it can be located in the Bank of America lot if we can get the Post Office to move its sorting facility to a non-downtown location leaving a service center at the present location instead. I will be asking Council to place movement of the Post Office sorting facility as one of our top three priorities for our Federal Legislative Requests so that I am able to use my lobbying time this February to ask if there is anything our representatives can do to help this idea along.

We need to complete our study of the deficit in the Fire and Police Pension plans and come up with a plan that will assure our first responders have a pension plan they can rely on for all the years of their retirement. As of now, I have proposed four alternatives for consideration to satisfy the underfunding of these retirement plans: 1) Leave the plan as it is and have our General Fund budget dictated each year by the plan actuary. When the actuary determines the amount we owe each year, we either have to cut the budget of the departments that are funded by the General Fund or raise taxes to meet the actuarial requirement. Doing this is merely a continuation of past practices and a status quo way of kicking the can down the road. 2) Obtain the buyout figure to fully fund the pension plans and then terminate the plans. This would be accomplished by borrowing money at a fixed rate and transferring market risk to a new fund custodian. As the City continues to grow, the ad valorem rate to pay down this debt would go down due to an increased tax base. 3) Study the benefits, costs and savings associated with consolidation of our Fire Department with the County. The approval of this study finally passed Council once the recent elections were completed and will now provide us with an alternative to consider after the figures are made available. 4) Discuss a MSTU or some other form of revenue sharing with the County to see if it is possible to reduce some of the inequities currently exhibited between County tax collection and County tax expenditures. This proposal failed due to a tie vote and will be brought up again during the first meeting in February when a full Council is seated at the dais. We should be able to discuss topics like this with the County Commissioners so that we can assure our residents that there is fairness in the way tax payer dollars are spent, not only in the City, but the County as well. It is my hope that we will be able to examine this issue with the other three alternatives rather than having Council denying our tax payers one of the possibilities that may provide more fairness in our tax collections and tax use, but that will ultimately be up to Council.

We need to fund our Planning Department sufficiently enough to bring in the required staff for a Comprehensive Plan re-write. It is no secret that the ability to control zoning and development codes are the strongest arguments to have a City in the first place. We must make

funds available so that the Planning Department completes the re-write of the Comprehensive Plan this year without fail. And we have to address issues for our future in our Land Development Regulations like building height, density of businesses in our downtown versus the available parking, density for work force housing and noise generation. I know our Planning Commission stands ready to help any way it can. The current Comprehensive Plan has proven to be so difficult to understand and use that it has become more of a burden than a guiding light for City planning and development.

Several years ago we were made aware of problems at Wellfield Park with drainage and maintenance. Although we have made some progress toward remediation of these problem areas, much still needs to be done. One area in particular, the overcrowding of Wellfield, has not even begun to be discussed. We have helped Challenger find a new permanent location away from Wellfield, but we have not helped the other sports currently using that park nor have we provided needed parking. The park still cannot be used for tournament play by some of the sports using this complex.

Related to this is the loss of Pinebrook Park as an expansion area for our park system. We no longer have 40 acres to provide for our City growth and must take action soon to correct this problem so that we are ready for the increase in our population. We have to continue to search for park land that can be used in the future for our youth.

We must take action to harden our Police Department building. In the event of a severe storm, our first responders have to evacuate and occupy Fire Station 3 along with all our firefighters. Station 3 continues to be the only first responder building that is hardened for hurricanes. Related to this, we have not asked if the current Police Department building is large enough for our future force. Should expansion of that building occur at the same time as hardening? Should we be looking at a whole new building?

Finally, we have not begun to talk about how to help the many businesses in the Seaboard area. This area is undergoing a forced change due to the widening of 41 bypass and neither the City nor County has stepped in to help redevelop the area. This area, along with the 3 Gateways to the City, are perfect examples of an area where the City and County can work together with a Community Redevelopment Agency, jointly run by elected officials of the two governmental bodies or by selected volunteers from each governmental body, to aid the business and residential areas of Venice and Sarasota County in the recovery from the disruption due to road construction. At the same time, we can help modernize this area and make it a showcase for Venice, much like our downtown area is today. Jointly working on the Seaboard area can serve

as a model of cooperation between the City and County and show the residents of our City a very positive side of taxes they continue to pay.

To accomplish these seven major projects and goals will take time, dedication, money and cooperation.

Time: we will have to continue to have workshops and special meetings focused on each area to give direction to staff as our method of support for the projects.

Dedication: once Council has approved these or other projects as collegial body, we have to maintain the dedication to complete the project and to not waste staff time with personal agendas.

Money: all of the projects will take a substantial amount of capital to begin and carry on to completion. This Council needs to act quickly as to the direction on these projects and determine if the City needs to borrow money to complete them. Interest rates continue to remain at historic lows and borrowing now makes sense so that payments can be spread out over a larger tax base in the future. Most of the projects will not be accomplished by waiting on normal tax collection. I will be asking Council to make a decision on the trolley system, the pension plans, rehabilitation of Wellfield and perhaps some of our other parks, acquisition of land to replace that lost to Pinebrook Park, and the hardening and potential expansion of the Police Department.

Cooperation: cooperating as a Council is only one leg of the stool. We must continue to have open dialog with the County, State and Federal Government to have all four legs of our stool firmly planted. Cooperation, however, cannot be a one way street. Cooperation has to come about by open dialog between the different governmental agencies; it comes about by being able to freely express ideas and achieve a compromise based on a result that best suits the parties involved. Cooperation rarely comes about by one agency dictating to the other; it does come about by one agency honestly and openly listening to the other with the best interest of the tax payer at heart. I will be asking Council to approve working with the County on developing a program that shows a minimum level of service that is being provided for all county residents such that our tax payers feel value for the tax dollars being spent. I also will be asking Council for approval to approach the County on forming a jointly governed Community Redevelopment Agency for the entire Seaboard Area including the three gateways into our City.

It is long overdue for our City, the County and Sister Cities to work together as much as possible without losing our individual personalities and identities. Cost of government and cost of the services we provide have escalated so greatly these last 20 years that we can no longer afford the luxury of duplication, overlap and waste. We must follow the lead of projects like our Venice Performing Arts Center and combine the resources of different branches of government to accomplish one great project rather than to each continue in our own way to make less than adequate projects due to the lack of funding. I am looking forward to a very productive year working with each Council Member in making positive strides toward the completion of all our goals and objectives. May God continue to bless us and watch over us.