

**COUNCIL ROUNDTABLE DISCUSSION
MINUTES
APRIL 6, 2011**

Pursuant to Public Notice, Mayor Ferrante convened the roundtable discussion of the City Council on Wednesday, April 6, 2011, at 6:00 p.m., in the Council Chamber. Those present were Mayor Joseph Ferrante, Vice-Mayor Mike Chase, Councilman Jeffrey Fleis, Councilman Scott Rhodes, Councilman William Higginson, City Manager Michael P. Crotty, and City Clerk Barbara Montanaro.

Mayor Ferrante led the Pledge of Allegiance.

Mayor Ferrante stated that Council cannot discuss City business outside a public meeting; this meeting has been convened to give Council an opportunity to discuss any issues that are on their minds. He asked each Councilman to list the topics they wanted to address under the roundtable discussion.

Vice-Mayor Chase: 1) our perspective as a group and what we hear about taxes and 2) communication in general.

Councilman Higginson: 1) impact the shrinking tax base will have on FY 11/12 Budget, 2) ad valorem taxes, and 3) utility taxes.

Councilman Fleis: 1) perspective of taxes going up and revenue going down.

Councilman Rhodes: 1) taxes, 2) cuts have to be made across the board, 3) oppose survey of residents because Council is elected to make the judgment calls, and 5) perceptions and expectations of community and citizens (subject of his May 11 Town Hall meeting).

Mayor Ferrante: 1) millage, 2) advisability of conversion of commercial to residential, and 3) where we are on the established goals.

Council discussed the following:

Comparison of total taxes: Council discussed how different municipalities generate revenue. Satellite Beach has relied heavily on ad valorem taxes while others depend on utility taxes for a portion of their revenue. Can we determine what Satellite Beach residents actually pay in all taxes, including ad valorem and utility taxes, compared to other cities' total taxes? Comments have been made that Satellite Beach has the highest taxes; is that true when all taxes are included in the comparison? Can staff provide a comparison of three different demographics in the City against similar demographics in other cities?

Decreasing revenue: Satellite Beach pays a prime amount of taxes for prime services. Revenue is declining; so services have to be reduced or taxes have to go up.

City Manager Crotty stated that in FY 07/08, with millage at 5.6 mills, the City received \$6,100,000; in FY 10/11, with millage at 8.1439 mills, the City received \$415,000 less revenue; and next year, if the millage remains at 8.1439, with the anticipated 10% decrease in taxable value, the City will have an additional \$600,000 decrease in revenue. This past year, we set a goal to reduce personnel costs 5.2%, or \$272,000; and we are on target to accomplish that.

Reduction of services: How do we determine what to cut if cuts are necessary?

Councilman Rhodes suggested an efficiency study. We agree the City is being efficient and personnel are working hard; we are proud of services. But we are close to maxed out on utility taxes and millage. He recommended hiring an outside consultant, even if it costs \$40,000, to recommend places to cut rather than relying on citizen groups or staff.

Vice-Mayor Chase agreed that we have to consider what should be cut if cuts are necessary. However, he felt the recommendation should come from staff and citizens.

Councilman Fleis stated that during the nine years he has been involved with the City, the citizens have asked for the level of service currently provided. Now that property values are down, we have to determine whether the citizens want to pay more to maintain the level of service. If not, are they willing to accept what the City is like if we cut back? Councilman Fleis provided an analogy of a business that ignores a decline in revenue, keeps spending, and goes broke vs. another business that cuts to the bone but is never the same business again. There has to be a careful balance.

Divesting City property: Can any of the ball fields, parks, or beach accesses be sold or used for something else that would generate revenue? Densities from many of these open area properties have been transferred to other locations; so, nothing could be built on them unless the Department of Community Affairs approved transferring the densities back. Also, some properties were donated and others are mitigation areas that have to remain as they are.

Millage: If Council gives the City Manager a preliminary millage rate to work from, he can provide suggested areas in personnel, services, and facilities to consider cuts: turn off lights at ball fields, reduce number of crossing guards by combining crossing locations, eliminate programs at the David R. Schechter Community Center, cut hours, cut staff, etc.

Communication: Vice-Mayor Chase asked that everyone listen to the message. Anyone can pick apart communication; there are ways to read what someone wrote and be mean to the person who wrote it. We are all volunteering our time for the great City that we love. Everyone has good ideas and good points; listen to the message.

Email is a tough, one-sided communication. Vice-Mayor Chase said that he responds to email sent to him personally but does not respond if it is sent to the entire Council. He forwards group email to the City Manager.

Mayor Ferrante stated that email that deals with the day-to-day operation of the City should be sent to the City Manager. Mayor Ferrante also warned of potential Ethics/Sunshine violations in the following scenario: if a Council Member receives email addressed to all Council Members, responds to the sender of that email, and then the sender replies to all, the sender has become a conduit and has violated the Sunshine laws. Communication through group email can have serious consequences if Sunshine laws are violated.

Town Hall Meetings: Vice-Mayor Chase has had his meeting and Councilman Rhodes has scheduled his meeting for May 11. Mayor Ferrante will hold his State of the City meeting prior to the second Council meeting in July. Councilman Fleis and Councilman Higginson will hold their meetings in the fall and winter, respectively.

Converting business property to residential: Councilman Fleis stated that looking at demographics prior to real estate boom, going through boom, and now on this side of the boom, together with the Patrick Air Force Base South Housing, indicates that there is no market for any more commercial. He recommended putting a tool in place to allow commercial property owners to rezone to residential. This would require Department of Community Affairs approval. An increase in residential units would increase the tax base without raising taxes. For example, the west side of South Patrick Drive would be a good location for town homes.

Business friendly: Councilman Rhodes stated that he has heard that the City is not friendly to certain businesses. Some people disagree with that; but it is not good if anyone has that perception. If a business owner thinks the City is tough on them, then they will recommend that others open their

business elsewhere. He stated that Council is responsible for the vision of the City and recommended a public campaign where Council Members visit businesses.

Councilman Higginson stated that he buys locally and encourages others to support local merchants whenever possible.

Mayor Ferrante stated he is going to start spending a couple of hours visiting/working with local businesses.

Code Enforcement: Councilman Rhodes stated that some think code enforcement is not fair across the board and perhaps Council should look at modifications to improve the perception.

Mayor Ferrante invited the public to comment. The following individuals addressed Council:

- Michelle French, 240 Colonial Court, stated that she had heard that the Schwichtenberg's in Indian Harbour Beach had wanted to locate in Satellite Beach; but because of whatever bureaucracy was involved, they opened their business in Indian Harbour Beach. When City Manager Crotty asked the specific reason, she deferred to Mr. Billman to fill in the details.
- Gregg Billman, 690 Jackson Court, stated that he ate at Schwichtenberg's and talked candidly with the owner, who said he had grown up in Satellite Beach and wanted to have his business in Satellite Beach. However, he was afraid of code enforcement and the administrivia to start a business here. Mr. Billman confirmed to the owner that he had heard those comments from others. Whether it is a reality or not, if there is a perception, then it is a reality.
- Marj Greene, 499 Sheridan Avenue, stated that she is confused on the business viewpoints of wanting to attract more business on one hand and then talking about converting some business property to residential. Does the City want business, or not? She feels there is a need for more business.
- Michelle Bruchar, 768 Monterey Drive, stated that although this is a bedroom community, we do not want to be business poor. There should be more effort to be business friendly and that will increase sales.
- Lloyd French, 240 Colonial Court, complimented Council in their statement that all options are on the table.
- Tom Rowat, 243 Carissa Drive, asked if we have agreements with Brevard County not to develop DeSoto Park and the Library site. He stated that his son who is a plumber does not like to work in Satellite Beach because requirements are tougher than any other city.
- Mike Hensley, 675 Atlantic Drive, stated he received an email with Councilman Higginson's letter to Council as an attachment. He felt the letter was spot on entirely correct. Mr. Hensley stated he has lived in the City thirty years and served on the Recreation Board for fifteen years. He has seen the process that City goes through to make decisions. For the past three years, the City has cut costs. The survey will tell you what the citizens want, and then you can make decisions that represent the people. Before you start cutting services, you should gather citizen input.

Mayor Ferrante adjourned the meeting at 7:00 p.m.