

**COUNCIL BUDGET WORKSHOP
MINUTES
AUGUST 16, 2010**

Pursuant to Public Notice, Mayor Ferrante convened the special meeting of the City Council on Monday, August 16, 2010, at 6:00 p.m., in the Council Chamber. Those present were Mayor Joseph Ferrante, Vice-Mayor Jeffrey Fleis (arrived at 6:15), Councilman Mike Chase, Councilman Scott Rhodes, Councilman William Higginson, City Manager Michael P. Crotty, City Attorney James Beadle, and City Clerk Barbara Montanaro.

Councilman Chase led the Pledge of Allegiance.

Mayor Ferrante announced the rules of procedure for the budget workshop as follows:

- City Manager will present each section of the budget
- Council will discuss
- Public comment
- Back to Council for final comments; no motions or votes.

DISCUSS/TAKE ACTION ON FY 10/11 BUDGET ISSUES

City Manager Michael Crotty distributed copies of his August 3, 2010, Budget Message to the public; Council had copies in their bound FY 10/11 Budgets. City Manager Crotty gave an overview of his Budget Message and each of the Budget Funds.

General Fund

Revenue: This fund shows the revenue from all sources: property and other taxes, franchise and permit fees, intergovernmental funds, charges and services, fines and forfeits, and miscellaneous. At the proposed millage rate of 8.2439, the ad valorem taxes will produce \$267,000 less revenue than last year. It is questionable whether the City will receive any First Responder funds from Brevard County. The One Cent Sales tax revenue is 11.3% more than expected. (\$8,798,383)

Mayor Ferrante asked for public comments on Revenues; the following individual addressed Council:

- Dominick Montanaro, 465 Glenwood Avenue, stated that the City will not receive the \$8,500 revenue for maintenance of Pelican Beach Park if Brevard County transfers ownership of the park to the City; but there are other benefits from owning the park.

Legislative: This fund is for Mayor/Council expenses and includes travel and business trip expenses; tuition, membership and publications; and the Mayor's discretionary fund. Several memberships have been dropped. However, membership in the Florida League of Cities, the Space Coast League of Cities, and Keep Brevard Beautiful have been kept because the services provided by those organizations far outweigh the cost of membership. (\$11,000)

There were no public comments on this section.

Administration/Finance: This fund includes the same number of employees and does not include any pay raises. The Community Redevelopment Agency is not reimbursing for any administrative help this year. Council asked for a report on grants submitted and received. (\$814,206)

There were no public comments on this section.

General Government Services: This is a catchall for Pension Plans, COBRA, Workers' Comp, Unemployment Comp, insurance, legal and other professional services, utilities, maintenance, and other

general operating expenses. (\$1,188,896)

Council discussed the school crossing guards and the Police and Firefighters Pension plan costs.

Mayor Ferrante asked for public comments; the following individuals addressed Council:

- Dominick Montanaro, 465 Glenwood Avenue, stated that the BRC had recommended that existing employees retain the retirement benefits they have; however, people hired in the future could go into the Florida Retirement System or another defined benefit plan with a multiplier of 2 instead of 3.
- Pat Gibbons stated that it may be necessary to cut personnel; he has observed a trend of tax increase without cuts. His experience in the corporate world indicates that there can be an across the board cut of 10% -12% without a reduction in work attitude or ethic. He suggested that volunteers could fill crossing guards' positions.
- Robert Gamin, speaking as a citizen and President of the Fraternal Order of Police, stated that citizens' priorities are trained experts for public safety (fire and police) and clean water and sewer. He noted that police and fire pensions are under assault in city after city. Public safety personnel have a life expectancy of 7-10 years less than the average citizen because of the stress of the job.
- Carol Robitschek stated that it is a matter of respect for the Police Officers and Firefighters that their retirement be protected.

Police Department: This covers all operating costs for the Police Department, including salaries and benefits, training, equipment, crime prevention (Citizens on Patrol), supplies, etc. (\$2,320,677)

There were no public comments on this section.

Fire Department: This covers all operating costs for the Fire Department, including salaries and benefits, training, equipment, wearing apparel, supplies, etc. (\$1,355,198)

There were no public comments on this section.

Building and Zoning: This covers all operating costs for the Building and Zoning Department. (\$249,968)

There were no public comments on this section.

Public Works: This covers all operating costs for the Public Works Department, including personnel costs, building and grounds maintenance, parks and athletic field lighting, motor vehicle fuel, traffic signals and street signs, janitorial supplies, roads, supplies, etc. (\$1,278,960)

Mayor Ferrante asked for public comments; the following individual addressed Council:

- Gabe Feindt, 470 Caribbean Drive, spoke about the high cost if it is necessary to replace fuel tanks.

Mayor Ferrante recessed the meeting from 7:45 p.m. to 7:55 p.m.

Recreation: This covers all operating costs for the Recreation Department, including personnel costs, program activities and instructors, building and grounds maintenance, supplies, etc. (\$719,434)

Council asked for additional information about the background checks (Who? How much?) for personnel in the Rec. Department. They talked about ways to partner with athletic leagues to raise money for the City.

Mayor Ferrante asked for public comments; the following individual addressed Council:

- Dominick Montanaro, 465 Glenwood Avenue, suggested that the City obtain title to the beach parks before speaking about raising money there.

Intra/Inter Fund Transfers: This includes personnel, CRA, stormwater, and Samsons Island transfers. (\$853,387)

There were no public comments on this section.

Additions to Reserves: Council has established a policy that 15% of all growth money from South Housing will go into reserves. This \$6,657 is about that amount.

Council discussed the purposes of reserves and how much money should be held in reserves. Council asked that staff obtain additional information about the prudent amount to have in reserves.

They also discussed using enough of the reserves to replace the temporary part-time person in Public Works.

Mayor Ferrante asked for public comments; the following individuals addressed Council:

- Dominick Montanaro, 465 Glenwood Avenue, stated that the BRC recommended that no money be taken from reserves for operating expenses this year. However, the reserves are there to fund something Council deems necessary. He recommended replacing the Public Works part-time employee.
- Pat Gibbons, 469 Coach Road asked how Council can justify taxing the citizens to put money into savings. He opposed replacing the Public Works employee.
- John Fergus, 135 Maple Drive, recommended building the reserves to rebuild infrastructure that may be damaged by flooding or hurricanes. Reserves are also necessary to maintain daily activities in the event of a disaster.
- Robert Gamin suggested that the City do away with the gasoline storage tanks and support at local businesses by buying gas there. He spoke in support of preserving ocean front property.

Community Services Special Revenue Fund – 101: this is a catch all fund with Samsons Island making up the largest portion of the fund. (\$42,200)

There were no public comments on this section.

Stormwater Utility Fund: This dedicated revenue source will be used to renovate the City's stormwater system and mitigate the flooding problems. It includes Cassia Drainage Projects Phases I, II, and III and the North Drainage Project. (\$3,258,232)

There were no public comments on this section.

Law Enforcement Trust Fund: This fund accounts for money and property confiscated by the Police from individuals who were arrested during the commission of a felony crime. The courts subsequently award money and/or property to the City. (\$700 interest)

There were no public comments on this section.

Community Redevelopment Agency Fund: Revenues in this fund are from property taxes from the Community Redevelopment area only and transfers from the General Fund. The Redevelopment District has sustained a 14% reduction in assessed value this year, so revenue from ad valorem taxes is down. (41,324,199 – total CRA Fund)

Mayor Ferrante asked for public comments; the following individuals addressed Council:

- Sherry D'Amato, 565 Temple Street, asked where the CRA gets funding. [City Manager Crotty explained Tax Increment Fund wherein the City gets 95% of Brevard County property taxes over the baseline taxes for 2002 for property in the CRA District. Revenue went up substantially from 2002 – 2006; however, assessed values have declined since then.]
- Pat Gibbons, 469 Coach Road, stated that marketing is an important part of business and the façade grants from the CRA for sign replacement helps local businesses and this money is well spent. He commented that the BRC has some forward-thinking ideas to support local businesses.

Capital Assets Fund: Capital assets have a minimum cost of \$3,000 and a life expectancy of over one year. Proceeds from the 6% utility tax on power (electricity, metered natural gas, liquefied petroleum gas, and manufactured gas) are used to fund capitals assets. (\$411,493)

There were no public comments on this section.

Council expressed special appreciation to City Manager Crotty, Finance Director Brenda Raver, and Department Heads for the hours of work that went into preparing this budget.

Mayor Ferrante adjourned the meeting at 9:00 p.m.

Barbara Montanaro
City Clerk