

COUNCIL SPECIAL MEETING MINUTES AUGUST 25, 2010

Pursuant to Public Notice, Mayor Ferrante convened a special meeting of the City Council on Wednesday, August 25, 2010, at 5:30 p.m., in the Council Chamber. Those present were Mayor Joseph Ferrante, Vice-Mayor Jeffrey Fleis, Councilman Mike Chase, Councilman William Higginson, Councilman Scott Rhodes, City Manager Michael P. Crotty, and City Clerk Barbara Montanaro.

Councilman Higginson led the Pledge of Allegiance.

DISCUSS/TAKE ACTION ON FY 10/11 BUDGET ISSUES

City Manager Michael Crotty presented an overview of his August 23, 2010, memorandum responding to questions raised at the August 16 Budget Workshop:

Police Department

The FY 08/09 expenditure for "Crime Prevention" was higher than normal because the cost of the new K-9 (Astor - \$8,000) was included in this account.

Recreation Department

The expenditure for background checks for the Recreation Department is for part-time and full-time employees. The Florida Department of Law Enforcement conducts the checks at a cost of \$24. The checks are renewed every three years. In the past, the Recreation Department paid for background checks on program instructors; however, beginning October 1, 2010, the instructors will be required to pay for the initial check and renewal every three years.

Mayor Ferrante stated that the School Board background check costs \$80 and includes fingerprinting.

Grant Program

City Manager Crotty presented a detailed report of the grant program costs in the proposed FY 10/11 Budget in the total amount of \$68,942 (\$9,516 to Bill Ryan for reporting and compliance; \$500 for miscellaneous supplies; and \$58,926 to Plain English Writing Services).

The cost to hire one grant writer as a City employee, including benefits, Social Security/Medicare, etc., would be \$52,074.

Plain English Writing Services (Lorraine Gott and John Fergus) provide the following services under the umbrella of, but not spelled out in, their grant writing contract:

- Code codification – a savings of \$5,000 - \$10,000 annually (previously paid to MuniCode Corp.);
- Drafting ordinances – saves attorney fees;
- Writing and editing services – special editions of *Beachcaster*, Ballot Questions, Board Reports, etc.;
- GIS Data and Mapping services;
- Networking to ensure a positive relationship with grant sources and regulatory agencies;
- Researching and compiling the City's history; and
- Environmental assistance with the "green" initiatives, NPDES compliance, stormwater issues, etc.

Council reviewed a communication from Carol Robitschek dated August 22, 2010; the Grants Status Summary prepared by the Finance Department; and listing and status of grants submitted from FY 04/05 through FY 09/10 prepared by Plain English Writing Services.

Council discussed the success of the grant program and reviewed the spreadsheets showing how the City has been able to complete major projects, saving City tax dollars by leveraging costs fifteen cents on the dollar.

Revisions to General Fund

Pension: FY 10/11 Budget page 23, Line 5192200, Retirement, shows \$354,858 for the FY 10/11 Budget. Based on an actuarial valuation dated August 18, 2010, the City's contribution to the General employees Pension is \$35,650 less than anticipated, reducing that line item to approximately \$318,000, which is less than FY 07/08. Reducing costs of the pension plans or at least capturing the costs at the current level is one of the top three priorities of this Council.

Public Works: At the August 16 meeting, Council had discussed the vacant part time position in Public Works and its impact on getting repairs done in a timely manner. Adding one temporary, part-time employee at thirty hours per week would increase the FY 10/11 line item "Personnel Services" of the Public Works Department \$21,226.

Since we are entering the peak of hurricane season, Councilman Higginson recommended filling the position now.

Mayor Ferrante asked for public comments; there were no comments.

ACTION: Vice-Mayor Fleis MOVED, SECOND Councilman Higginson, to include \$21,226 in the FY 10/11 for a thirty-hour temporary part-time employee in Public Works. VOTE: ALL AYES. MOTION CARRIED.

6 Dell Laptops @ \$700 each: This language in the Police Department budget was left over from last year and should be deleted – no fiscal impact.

Reserves: The three changes mentioned above result in an increase of \$14,424 to Reserves. Increase General Fund Reserve allocation (Acct. 5909002; addition to Reserves, Page 53) to \$62,300.

Council discussed the following regarding reserves:

- Use this \$62,300 to reduce the millage 1/10 mill, or approximately \$7 per household, as a gesture of good will.
- Be good stewards and plan for the future to ensure sufficient reserves to handle any emergencies that arise – flooding, hurricanes, etc.
- Make the City attractive for development, especially rebuild the commercial corridors.

- Reduce reliance on ad valorem and establish assessments for specific services, such as fire suppression fees and stormwater fees.
- Task staff or the Blue Ribbon Committee to establish how much money should be in reserves to sustain the City.

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

- John Fergus, 135 Maple Drive, noted that this budget defers training and does not include any vehicles. He recommended that Council build the reserves as a defense against greater budget challenges in the next few years.
- Dominick Montanaro, 465 Glenwood Avenue, spoke of the uncertainties coming from Tallahassee next year. The decrease in assessed value of property this year produced less revenue at the same millage rate as last year. The real estate market indicates that the assessed values will decrease again next year. He encouraged Council to preserve as much as possible in the reserves.

ACTION: Councilman Rhodes MOVED, SECOND Vice-Mayor Fleis, to use the \$62,300 to lower the millage to 8.1439 mills and not put the money into the General Fund Reserves. VOTE: THREE AYES (Rhodes, Fleis, Ferrante); TWO NAYS (Chase and Higginson). MOTION CARRIED.

City Manager Crotty will recalculate the Budget using 8.1439 mills and present it to Council one week before the September 8 Public Hearing. He will have the Budget on the screen for the Public Hearings.

Revisions to Community Redevelopment Agency Fund

Consultant (p. 74): Change the terminology from “Property Real Estate Management” to “Property Sale (Peg Legs).”

Revenue; Acct. 3380000 (p. 73): Add additional \$51,892 Tax Increment Financing (TIF) Revenue from Brevard County. Add additional \$75,000 revenue from HP Communities for Traffic Signal.

Acct. 5596903 (p. 77): Reduce Master A1A Streetscape Project by \$23,108.

Staff recommended using the additional \$51,892 from TIF and \$23,108 from Streetscape to fund the City’s portion of the mast arm signalization at Highway A1A and Shearwater Parkway. The contract will not be awarded until the City has the HP Communities \$75,000 share of the costs.

Mayor Ferrante asked for public comments; there were no comments.

ACTION: Councilman Higginson MOVED, SECOND Councilman Chase, to revise the Community Redevelopment FY 10/11 Budget as outlined above. VOTE: ALL AYES. MOTION CARRIED.

Revisions to Capital Assets Fund

Based on actual interest rates quoted in the proposal to refinance short-term debt the following revisions are necessary: 1) Revised Principal and Interest of new lease to actual amounts – Increase: \$3,945 (p. 87); and 2) Posted to “Add to Reserves” by increase of lease payments – Decrease: \$3,945 (p. 87).

Mayor Ferrante commended Finance Director Brenda Raver for initiating this savings.

Councilman Higginson reported that Police Sgt. Eric Anderson’s young son Avery is very ill. He is currently being treated at Arnold Palmer Hospital and then will go to Jacksonville for rehabilitation. Councilman Higginson encouraged others to give financial assistance to the Anderson family.

Mayor Ferrante adjourned the meeting at 6:43 p.m.

Barbara Montanaro, CMC
City Clerk