

**COUNCIL MINUTES
SEPTEMBER 8, 2010**

Mayor Ferrante convened a meeting of the City Council at 6:00 p.m. on Wednesday, September 8, 2010, in the Council Chamber. The following were present: Mayor Joseph R. Ferrante, Vice-Mayor Jeffrey Fleis, Councilman Mike Chase, Councilman Bill Higginson, Councilman Scott Rhodes, City Manager Michael Crotty, City Attorney James Beadle, and City Clerk Barbara Montanaro.

PUBLIC HEARING FY 2010/2011 BUDGET:

PUBLIC HEARING ON PROPOSED 2010/2011 BUDGET

City Manager Crotty distributed and presented an overview of a packet of information containing the following:

- The tentative millage rate (8.2439 mills), the proposed millage rate in Ordinance No. 1035 (8.1439 mills), the 2009 adopted millage rate (7.8193), and a chart showing an example of a “rolled back” rate in a declining economy.
- The impact of the proposed millage rate on various properties showing that about 64% of residents will receive a tax decrease and 36% will see a tax increase.
- Charts showing reductions in departmental operating expenses comparing 02/03 and 05/06 with the proposed 10/11 expenses and reductions in departmental travel/training/and business trips.
- Staffing over the past three years has been reduced by 4 full-time positions, 2 of which were permanently eliminated and 2 of which were filled by part-time personnel. (83 full-time and 10 permanent part-time employees) There are no pay raises in the 10/11 budget and overtime has been reduced 20%.
- Capital expenditures have been reduced from \$119,240 in 09/10 to \$29,600 in 10/11 and \$93,942 is available for Capital Asset reserves.
- Community improvement/capital projects on hold: under grounding utility lines along Highway A1A, road resurfacing, and scale back beach access improvements.
- Capital projects included: 1) North drainage is a \$1.303 million project funded 75% by FEMA grant with the reminding 25% shared equally among the City, the School District, and Brevard County, with a cost to the City of \$108,667; 2) Cassia Phase III drainage is a \$1,475,000 drainage projected funded by Section 319 grant (\$885,000) with remainder from Stormwater Utility Fund; and 3) signal improvements at Highway A1A and Shearwater Parkway (\$150,000 total cost; City share \$75,000).
- Revenues: the proposed 8.1439 mills will produce \$330,664 less ad valorem revenue than last year; amount of First Responder Fee from Brevard County is uncertain; and the State has projected an 11.3% increase in Half Cent Sales Tax revenue.

City Manager Crotty presented an action plan for FY 10/11 as follows:

- Salary and wages are frozen for second consecutive year.
- There will be a “soft” hiring freeze. Any replacement will be considered subject to use of part-time personnel, sharing/moving job responsibilities between departments, or contracting out services.
- Continue aggressive grant writing efforts for items/services already funded by City budget.
- Explore opportunists to control/reduce costs: 1) Florida Retirement System for both Police/fire and General Employees; or 2) step plan for new Police and Fire personnel.

- Reduce personnel costs (wages and benefits) by 5.25% (\$272,778).

City Manager Crotty asked if there were questions on his presentation. The following individuals spoke:

- Tony Loizzo expressed disappointment that the under grounding of utilities was being placed on hold because of power outages caused by damage to overhead wires during storms. However, he spoke in opposition to raising the millage and suggested that the City do less rather than raise the millage.
- Linda Loizzo commended the City Manager for the professional presentation and for cutting expenses. She recommended that Council work on Tallahassee to have them pay a greater share of costs for infrastructure, etc.
- Dominick Montanaro, 465 Glenwood Avenue, stated that the land taken off the tax rolls for conservation equals approximately 1.5 mills and a paid professional Fire Department vs. a volunteer fire department equals approximately 2.4 mills. Also, Satellite Beach does not impose the same utility fees that other municipalities do; however, *total* taxes are in line with other cities. This causes our millage rate to seem high when compared with other cities. Satellite Beach has been good stewards of property and has done things recommended by the Department of Community Affairs, especially limiting ocean front construction. It is time to approach Tallahassee to compensate the City for the loss of revenue.

PUBLIC HEARING ON PROPOSED 2010/2011 BUDGET

ORDINANCE NO. 1035, AN ORDINANCE OF THE CITY OF SATELLITE BEACH, BREVARD COUNTY, FLORIDA, DECREASING THE MILLAGE RATE 3.08% UNDER THE AGGREGATE ROLLED-BACK RATE; ESTABLISHING THE FY 2010/2011 OPERATING MILLAGE RATE; PROVIDING EFFECTIVE DATE (FIRST READING)

City Attorney Beadle read Ordinance No. 1035 by title only on first reading.

City Manager Crotty stated that Ordinance No. 1035 establishes the millage rate at 8.1439 mills, which is the rate established by City Council on Monday, August 23. This millage rate is 3.08% under the aggregate rolled back rate.

Councilman Higginson stated that he wanted to make it clear that 1/10 mill is not a big tax break and asked that the following statement be included in the minutes.

The 1/10 of a mill reduction in the millage rate is tokenism at its best. \$7 a year is not tax relief and – it may very well come back to haunt us on two future issues:

1. This cut of 64K in the reserves represents around 25% of the City's matching grant fund for the aerial fire truck – if we get the grant. If not, we will still be faced with the replacement of our present fire truck in 2 or 3 years. And that money is gone forever.
2. None of us know at what level the state may freeze the millage. If it's at 8.1439, we are facing even tougher budget cuts in 2011-2012. If it's at 8.4027 – the rolled back cap – we may have some wiggle room, but I'm not optimistic.

Councilman Chase spoke of the budget preparation process, beginning in January with a tour of each department to learn what they do and how they do it, the Blue Ribbon Financial/Budget Committee (BRC) met to make recommendations on what it takes to run a city, and then Council held meetings and workshops. Decisions have not been easy and have not been unanimous. But staff, the BRC, and Council have put together a palatable package that will sustain City services.

Councilman Rhodes spoke in favor of reducing the millage further and using reserves to make up the shortfall. He questioned whether the revenues/cost savings detailed in the City Manager's report are included in the budget. (Yes.)

Vice-Mayor Fleis commended staff on an outstanding budget and presentation, noting how much operating costs have been reduced since 02/03.

Mayor Ferrante stated that the 8.1438 millage rate is 3% under the rolled back rate. Council has received recommendations from the BRC and cannot go cold turkey to reduce the millage more. He will send letters to the Brevard Delegation asking for financial support for the conservation land. He suggested that the \$93,000 in Capital Reserves be held in case the City receives the grant for a ladder truck.

Mayor Ferrante opened the Public Hearing on Ordinance No. 1035; the following individuals addressed Council:

- Linda Loizzo commended the Council for forming the BRC. She stated that reducing the millage is not always a smart thing to do; however, something has to give in this economy. She recommended that the millage be adopted as recommended.
- Tony Loizzo suggested that the City consider incentives to help those ready for retirement out the door and hire replacements at a lower salary.

City Manager stated that the City requested an actuarial report to determine the effectiveness of incentives for senior employees to leave. The report indicated buy-outs only work if that person is not replaced; the cost of the buy-out offsets the savings in salary.

- Gabe Feindt, 479 Caribbean Drive, spoke in favor of retaining all the amenities that attract people to Satellite Beach: Fire Department and Police Department that provide excellent public health and safety, recreational facilities, conservation land, and City staff to provide the services.
- Dominick Montanaro, 465 Glenwood Avenue, stated that the Property Appraiser has projected a 17% decrease in assessed value next year; that is a significant number that Council will have to address next year. He recommended that Council contact the Legislative Delegation now while they are in their Brevard County offices; it is the most effective time to talk to them. When they get to Tallahassee, they are busy and don't have as much time for their constituents.

ACTION: Councilman Higginson MOVED, SECOND Vice-Mayor Fleis, to approve Ordinance No. 1035 on first reading. VOTE: ALL AYES. MOTION CARRIED.

ORDINANCE NO. 1036, AN ORDINANCE OF THE CITY OF SATELLITE BEACH, BREVARD COUNTY, FLORIDA, ADOPTING FY 2010/2011 BUDGET; PROVIDING AN EFFECTIVE DATE (FIRST READING)

City Attorney Beadle read Ordinance No. 1036 by title only on first reading.

City Manager Crotty stated that Ordinance No. 1036 lists the FY 10/11 Budget funds and their dollar amounts.

Mayor Ferrante opened the Public Hearing on Ordinance No. 1036 and asked for public comments. There were no comments.

ACTION: Councilman Chase MOVED, SECOND Councilman Higginson, to approve Ordinance No. 1036 on first reading. VOTE: ALL AYES. MOTION CARRIED.

DISCUSS/TAKE ACTION ON AUTHORIZING THE MAYOR TO SIGN A LETTER SUPPORTING CONTINUED FUNDING FOR THE BREVARD COUNTY HISTORICAL COMMISSION

Brevard County has funded the Historical Commission; no action was necessary.

DISCUSS/TAKE ACTION ON AUTHORIZING THE MAYOR TO SIGN A LETTER INDICATING THE CITY'S SUPPORT OF LIGHTING SCIENCES GROUP CORPORATION

City Manager Crotty presented a letter stating the City's support for Lighting Sciences to remain a business and employer in the City and the City's willingness to work with Lighting Sciences to achieve this goal.

Council whole-heartedly supported sending the letter and any other form of encouragement for Lighting Sciences to remain in Satellite Beach.

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

ACTION: Councilman Higginson MOVED, SECOND Councilman Chase, to authorize the Mayor to sign the September 8, 2010, letter to Mr. Zack Gibler, Chairman and CEO of Lighting Sciences Group Corporation. VOTE: ALL AYES. MOTION CARRIED.

RESOLUTION NO. 897, A RESOLUTION OF THE CITY OF SATELLITE BEACH, BREVARD COUNTY, FLORIDA, PROVIDING FOR CERTIFICATION OF ANNUAL STORMWATER UTILITY ASSESSMENT ROLL; PROVIDING AN EFFECTIVE DATE

City Attorney Beadle read Resolution No. 897 by title.

City Clerk Montanaro reported that Council had adopted Resolution No. 896 in June, setting the Stormwater Assessment Rate for FY 10/11 at \$65 per single-family unit. In the past, the Assessment Roll would have been certified under that same Resolution. However, the new agreement with Brevard County for the preparation of the Assessment Roll requires that the rate be set 90 days before the City receives the Assessment Roll. Under the new agreement with Brevard County, they no longer can provide this data for free; there is a \$1 per property charge.

The Assessment Roll was available for viewing on the computer and sample pages were included in the Agenda Packet. Page 626 of the Assessment Roll shows 4,918 total properties and \$323,439.11 total billing amount.

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

ACTION: Councilman Chase MOVED, SECOND Councilman Higginson, to adopt Resolution No. 897. VOTE: ALL AYES. MOTION CARRIED.

Mayor Ferrante announced the following meetings:

Wednesday, September 15, 7:00 p.m., Regular Council Meeting

Wednesday, September 22, 6:00 p.m., Council Budget Public Hearing

Tuesday, September 28, 6:00 p.m., Community Redevelopment Agency Meeting

Councilman Chase summarized, saying this was a good team effort; Council knocked their heads together and came up with a good product. While they did not always agree, there was no animosity and they found a reasonable, workable solution.

Mayor Ferrante adjourned the meeting at 7:05 p.m.

Barbara Montanaro, CMC
City Clerk