

**COUNCIL WORKSHOP
MINUTES
OCTOBER 20, 2010**

Pursuant to Public Notice, Mayor Ferrante convened a workshop meeting of the City Council and the Blue Ribbon Financial/Budget Committee on Wednesday, October 20, 2010, at 5:30 p.m., in the Council Chamber. Council Members present: Mayor Joseph Ferrante, Vice-Mayor Jeffrey Fleis, Councilman Mike Chase, Councilman Scott Rhodes, and Councilman William Higginson. Blue Ribbon Financial/Budget Committee (BRC) Members present: Jerry de la Rosa, Michael Everett, John Fergus, Pat Gibbons, Joseph Hemple, Dominick Montanaro, Harry Pawlak, and David Ryan; Chairwoman Lorraine Gott was not able to attend. Staff Members present: City Manager Michael P. Crotty, Police Chief Lionel Cote, Deputy Police Chief Jeff Pearson, Fire Chief Don Hughes, Recreation Director Kerry Stoms, Public Works Director Allen Potter, and City Clerk Barbara Montanaro.

Mayor Ferrante led the pledge of allegiance. He announced that this is a workshop to review different items on the recommendations from the BRC; no action can be taken in a workshop setting.

Council made the following comments:

- The report covers a lot of issues, both recommended and not recommended; they suggested moving all the “not recommended” to the end of the report.
- The work of the Committee has captured the larger picture of how revenue is generated and spent and lends credibility to budget decisions.
- Council favored having the Committee remain in place for at least two years to prioritize and evaluate recommendations for future years.

Council Members and Committee Members discussed the following three items in depth:

Non ad valorem assessment for fire and roads. In order to be able to consider the assessments for FY 11/12, it is necessary to adopt and submit to Brevard County before December 31, 2010, a resolution stating the intention to levy such assessments. The intent to establish an assessment must be advertised four consecutive weeks prior to the meeting to adopt the resolution. Adopting the resolution does not obligate the City to levy an assessment. If Council decides to levy the assessments, they will have to set dollar amounts and send a letter to every property owner next year.

The two service assessments being discussed are fire and roads.

Ad valorem taxes in Satellite Beach are higher than neighboring cities; Council would like to reduce ad valorem taxes to attract homebuyers and businesses. Assessments will lower the total tax bills of businesses and those owning higher end residential properties; those owning lower end or long-time homesteaded residential property will see an increase in total taxes. If assessments for specific services are levied, they can be used to reduce ad valorem taxes or to generate additional revenue.

Mayor Ferrante asked if anyone is opposed to the assessments. In response, members discussed that the assessments are not deductible from income taxes and costs associated with a consultant helping to establish the assessments could be high.

Mayor Ferrante asked for public comments; the following individuals spoke:

- David R. Schechter recommended taking the steps to necessary now to put the assessments in place. Then there will be time do discuss the impacts and try to make the assessments revenue neutral.
- David Omler stated it would be wise to adopt the resolution to keep the City's options open.
- Kerry Stoms asked if adopting the fire assessment would ensure keeping the current fire services.

Staff will prepare charts showing a comparison of local cities total ad valorem taxes, utility taxes, franchise fees, and assessments. Staff will also advertise the fire and road assessment resolutions for consideration by Council on December 1.

Permits for fires on the beach. Fire Chief Hughes stated that the Department issued 340 permits last year; about 60% of those were for Satellite Beach residents. They provide a list of rules with each permit and there have been very few issues. Chief Hughes recommended a \$25 permit fee, using the revenue to support the Marine Rescue Program.

Discussion included the following:

- Any revenue generated should go into the General Fund, instead of a specific fund.
- If it legal, charge a lower permit fee for City residents.
- Limit the number of permits per night or per beach access.

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

Cell towers. There are multiple cell towers on the Buccaneer Beach Club. T-Mobile has contacted the City about putting 150-foot cell towers on City-owned property. They would generate about \$18,000 for single user and up to \$30,000 for multiple users. There are some negatives, including a negative impact on surrounding property values and perhaps health/environmental issues.

The remainder of the discussion focused on the Final Report from the BRC:

Personnel items 1-12.

1. Retirement: An actuarial analysis determined that the only benefit of having one or more of the six employees eligible for retirement retire would be if the City did not replace that person.
2. Risk-based health insurance: Staff is forming an in-house committee to look at insurance.
3. Have all City employees forego some pension benefits: It is anticipated that there will be a major effort toward pension reform at the State level this year.
4. Hiring freeze: It is in place.
5. Replace full-time personnel who leave with part-time: This is being done where possible.
6. Reduce number of hours instead of eliminating positions: No comments.
7. Use 1.5 comp time instead of overtime pay: Law requires that employees have a choice. Most departments have their own policy and some put a cap on the number of hours.
8. Reward system for cost saving ideas: No comments.
9. Decrease travel and conferences: This has been decreased 80% as compared with seven years ago.

10. Implement two-tier police and fire retirement plan with new hires receiving minimum benefits under state law: There is no immediate cost savings but there are long-term benefits. If the state does not deal with pension reform, the City may have to do so.
11. Scale back other benefits for general employees: General employees have two-tier retirement benefits with nine in the defined benefit plan and all others in the defined contribution plan where the employee pays 5% and the City pays 5%. Health and other benefits may have to be considered.
12. Staff reduction: The City Manager has set a goal to reduce personnel costs by \$275,000.

Police, Fire, and Recreation: The City Manager and Department heads will discuss these.

City operations:

1. Code Enforcement procedures for handling repeat violations should be streamlined and given stronger enforcement options.
2. Beachcaster: The Beachcaster is an important tool for communicating with the residents. It is available online now. To cut costs, the City could stop mailing it to everyone in the City. Those who do not have Internet access could be on a mailing list and/or residents could pick up copies at City Hall.

Council and the Blue Ribbon Committee will have another workshop to discuss more of the recommendations in the Committee's Final Report.

Mayor Ferrante adjourned the meeting 6:50 p.m.

Barbara Montanaro
City Clerk