

CITY OF MELBOURNE, FLORIDA
MINUTES - SPECIAL MEETING BEFORE CITY COUNCIL
MARCH 21, 2000

A special meeting of the City Council was held in the City Council Chamber, 900 E. Strawbridge Avenue, and was called to order at 7:30 p.m. by Mayor John A. Buckley.

1. All present gave the Pledge of Allegiance to the Flag of the United States of America.
2. The following members were:

Present:	John A. Buckley	Mayor
	Ed Palmer	Vice Mayor, District 2
	Steve Beltz	Council Member, District 1
	Priscilla M. Poole	Council Member, District 3
	Cheryl Palmer	Council Member, District 5
	Loretta Isenberg-Hand	Council Member, District 6
	Henry J. Hill	City Manager
	Paul R. Gougelman, III	City Attorney
	Cathleen A. Wysor	City Clerk
	Bud Emerson	Assistant City Manager
	Amy Elliott	Director of Finance
	Karen Windsor	Budget Officer

Absent: Grace Walker Council Member, District 4 (Ill)

3. Budget Process Workshop for FY 2000-2001

From the agenda package: This is a special meeting to conduct a discussion on the city's FY 2000-2001 budget process. Council requested the discussion to review the budget process and the various philosophies and issues affecting the budget.

The following items are included in the package, which are relevant to the budget:

- *Budget Calendar.*
- *Summary of the budget process including basic narrative on the types of funds and accounts used in the budget.*
- *Multi-year expenditure and revenue projections for the General Fund and Golf Courses Fund. Also an initial projection for 2000-2001 Water & Sewer Fund.*
- *Comparative tables showing the change in revenues and expenditures by categories since 1990.*

Mr. Hill reviewed the agenda package and demonstrated the General Fund revenue and expenditure projections on an interactive screen. Additionally, Council received handouts on "unfunded needs with major budgetary impacts" and the "modified police ready car program."

Mrs. Poole expressed concern about the ready car program and asked about the officers who live outside the city. Mr. Hill said that is an issue Council would have to consider. He noted that the program goes beyond just having a vehicle parked in a neighborhood.

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It includes issues like having vehicles available for duty assignments and assuring no loss of time during shift changes. He stressed that the issue is not before Council. Council has simply been provided a preliminary estimate of the cost. The numbers have been reworked so that it can at least be reopened for consideration.

Mrs. Poole pointed out that the Police Department budget has increased above all others while the Public Works budget has remained the same for the past 10 years. Mr. Hill stated that the Fire and Police budgets have increased equally – about 63% over the past 10 years – while the Public Works budget has decreased almost 8% over the same time period.

Mr. Palmer referenced the unfunded needs handout and asked if the nine additional firefighters are contingent on the construction of a new fire station. Mr. Hill said that is the staffing level that would be necessary if a new station were built beachside or in south Melbourne and staffed at the current level. This would allow for the extra “floating” engine company used to take up slack in the daily work schedule.

Mrs. Palmer asked if the nine additional firefighters would be over and above the nine approved in the current budget. Mr. Hill responded yes as long as we maintained the same level of “floating” firefighters. If the current eighth engine company were assigned to the new station, we would lose the floating group. He confirmed that we would essentially be hiring a new floating group. Mr. Hill stressed that there is no specific proposal to do this; however, the information has been provided to show Council what would have to be considered if a new station was built.

Mrs. Poole commented that annexations have placed a heavier load on the Fire Department. Mr. Hill said annexations provide the benefit of control, and the development pays the cost of additional services.

Mr. Palmer pointed out that one option is to coordinate with the county for beachside coverage. Mr. Hill agreed and said that should be part of the consideration.

Mr. Hill referenced the interactive screen and noted that staff is projecting a 3% growth rate. Mr. Palmer asked why the charges for services and fines and forfeitures have a larger growth rate than the other areas. Mrs. Windsor said the numbers were determined based on historical information.

Mr. Beltz referenced the growth of new construction and said it seems as if it should be zero and that inflation alone would cause a 3% increase in valuation. Mr. Hill said for the purpose of this analysis, we have not been able to build in every factor; however, it is not a good assumption to say that the existing homes are going to increase every year. There have been years when the existing value went down.

In response to Mr. Beltz, Mrs. Windsor discussed some of the items that make up non-revenue sources.

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A brief discussion followed regarding the projections through 2004-2005.

Mr. Beltz asked if Council should be concerned that the contingency dropped to \$100,000. Mr. Hill explained that each year we try to budget \$100,000 as a starting point and throughout the year, the balance will vary.

Mrs. Palmer noted that public safety is one of our highest expenditures. She asked for a comparison between the population growth and the percentage of increase in the public safety budget. With regard to police officers, Mr. Hill said the city has usually hired several in one year as opposed to adding one per year. They are added to the department as a functional unit/team. Mrs. Palmer asked Mr. Hill to make a projection.

Mr. Hill said that information could be included on the future graph. He pointed out that currently the Police Department is able to meet the call load; however, it doesn't mean that it is easy. Without additional officers, the department is not able to have specialty teams that address targeted areas.

Following a brief discussion, Major Torpy verified that statewide, the number of officers is 2.44 per 1,000 population and Melbourne is at 2.1 officers per 1,000 population.

Mayor Buckley asked about a water rate adjustment. Mr. Hill said a rate study would be done as part of the bonding process to verify that the rates are valid.

In response to Mr. Beltz, Mr. Hill said the Golf Courses Fund looks favorable; we have been able to build up the fund balance for capital projects. Mr. Hill advised Council that the Golf Courses Advisory Board has recommended the rates be examined this year. Staff will review the request after all the budget documents have been submitted.

Ms. Kise added that the board has requested additional information on the mandatory cart times at the surrounding golf courses; an increase in the surcharge during winter months; increase in the annual fee based on the cost of living each year; and an increase in the cart fees by one dollar. Staff has conducted a survey and will be reviewing it with the City Manager.

Mrs. Poole asked if the city would still be comparable with other courses if the changes being discussed are made. Ms. Kise said we would still be in the market with other municipal courses. Staff is looking at minimal, but positive, changes.

Mayor Buckley asked each member to comment on the budget.

Mr. Beltz said he is concerned about drawing down the fund balance. He asked how well we have done in meeting our projections in the past. Mr. Hill said because the budget is adjusted during the year, we end up close to the mark. He noted that the problem in the past has been that we have started off appropriating from fund balance in order to balance the budget.

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Continuing, Mr. Beltz said he does not want to see our reserves impacted. He added that he does not think we will have problems with the next budget because growth will be substantial. However, he is concerned that in several years, we will be in danger. Regarding taxes, he does not want to see a millage rate increase and would prefer to tap money from the Water and Sewer Fund. Regarding the unfunded needs, he said there would have to be a strong case for the addition of a beachside fire department; he would prefer to work through other options and strengthen our interlocal agreements. He noted that the addition of police officers would be a budget breaker. The ready car plan could increase morale and efficiency and perhaps the city would not have to add officers. He asked for an analysis on this. With regard to a new City Hall, Mr. Beltz asked if there would be some off setting revenues as a result of moving the facility.

Mrs. Poole said she is not interested in cutting services. Additionally, she recommended Council be careful about contributions, especially to the arts, etc. She noted that it is nice to have music; however, the band is getting expensive since they are using the Auditorium. She concluded by saying she does not want to see the capital pushed back as it has been in the past.

Mrs. Palmer pointed out that there are a lot of drainage problems; Melbourne is becoming a city with an aging infrastructure and there is a need for a lot of capital. Those needs will have to be juxtaposed with the cost of new personnel, especially fire and police. Mrs. Palmer said she thought it odd that Council would worry about a \$5,000 donation for the band, yet spend \$70,000 for a desk. She said every department is an essential service and we need to strike a better balance in reviewing requests. She recommended that the city get its infrastructure in order before taking on new personnel.

Mr. Hill noted that if we do nothing, we would still have a 5% increase per year in the cost of personal services. He displayed on the interactive screen the effect of no increase in valuation. It demonstrated how quickly we would get out of line in terms of revenues versus expenditures. It would also have a dramatic affect on the fund balance. Mr. Hill agreed that our infrastructure needs will not go away, and they have an impact on how the city looks and how well it functions.

Mrs. Hand said she is concerned about drainage and stormwater management issues. She is also concerned about the safety and welfare of our citizens and supports the Fire and Police Departments. She said she feels we should construct the new fire department on the beach and proceed with the City Hall replacement. She asked about the status of the City Hall study.

Mr. Hill said staff has a draft of the City Hall study from the architect. It will be scheduled for a future agenda. He pointed out that a new City Hall would be a permanent addition to the millage rate and we need to be willing to tell the voters how much the cost will be.

Mr. Palmer said the city should do everything to avoid the situation in mid 1990 where our surpluses were down and capital improvements were being deferred. He added that he believes we should seriously look at the construction of a new fire department on the

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beach, or at least some alternative to that. Additionally, in the area of stormwater management, the city should continue paving unpaved streets. The current stormwater program is in its embryonic stages and with proper control, we can do wonders with that program. He agreed that some of the problems in the city are directly related to the age of our infrastructure.

Mayor Buckley said his hope is that we do not increase taxes this year. He added that he understands the Police Department's request with the ready car plan; however, given the amount that will be required to keep it going each year, he doesn't think he can support that at the present time. He commended Mr. Hill for the interactive slide presentation and said it clearly demonstrates the effect a decrease in new construction has on the budget.

Mr. Hill demonstrated on the screen the effect of adopting a roll back millage rate. An adjustment in expenditures would be required to balance the budget, whether through a reduction in capital or personnel. He informed Council that the information on the screen would be kept up to date for the next budget presentation.

That concluded Council's comments on the budget and the budget process.

4. Adjournment

Moved by E. Palmer/Poole to adjourn. Motion carried unanimously.

The meeting ended at 9:02 p.m.

City Clerk - 4/5/00

Approved by Council _____